

Volume 7

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Before The Honorable Charles R. Breyer, Judge

UNITED STATES OF AMERICA,

Plaintiff,

VS.

SUSHOVAN TAREQUE HUSSAIN,

Defendant.

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NO. CR 16-00462 CRB

San Francisco, California

Wednesday, March 7, 2018

**TRANSCRIPT OF PROCEEDINGS**

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Official Reporters

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## PROCEEDINGS

Wednesday - March 7, 2018

9:01 a.m.

P R O C E E D I N G S

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(Proceedings were heard out of presence of the jury:)

**MR. KEKER:** I have one quick matter.

**THE COURT:** Quick.

**MR. KEKER:** Last night at 8:45, as I was preparing for the witness that is due today, Mr. Cronin, I got an email from them that the witness that was Witness No. 6 instead of No. 4, Dave Truitt, had been substituted. That can't happen.

**THE COURT:** I can't deal with it right now. I mean, I could deal with it right now, but I'm not going to deal with it right now. We will do this witness right now and then figure --

**MR. KEKER:** We would like them to be ordered to put Mr. Cronin on in the order that they told us. That's the request.

**THE COURT:** Bring in the jury. Let's finish the cross.

**MR. REEVES:** Okay. That sounds good.

(Proceedings were heard in the presence of the jury:)

**THE COURT:** Good morning, ladies and gentlemen. Again, thank you for being so prompt. I really do appreciate it.

And we will now continue with the cross-examination of the

**GEALL - CROSS / LITTLE**

1 witness.

2 Ms. Little.

3 **MARC GEALL,**

4 called as a witness for the Government, having been previously  
5 duly sworn, testified further as follows:

6 **CROSS-EXAMINATION (resumed)**

7 **BY MS. LITTLE:**

8 **Q.** Good morning, Mr. Geall.

9 **A.** Good morning.

10 **Q.** I think we left off yesterday talking about hardware.

11 You testified on direct that around September 30th of  
12 2009, you learned of a significant hardware contract between  
13 Autonomy and EMC. Do you recall that testimony?

14 **A.** Correct. Yep.

15 **Q.** You said it was around \$45 million?

16 **A.** I believe that to be the case, yes.

17 **Q.** And you said that Peter Goodman told you about it?

18 **A.** That is correct.

19 **Q.** And you told -- you testified that you told Mr. Goodman to  
20 go see if Andy Kanter was in the office, and Mr. Goodman said  
21 Kanter wasn't there, so you told Mr. Goodman to either shred  
22 the contract or lock it up. Do you recall that testimony?

23 **A.** Correct.

24 **Q.** And you told Mr. Leach and the jury that this hardware  
25 contract that Mr. Goodman had told you about caused you concern

## GEALL - CROSS / LITTLE

1 because it was \$45 million and you, in your mind, questioned  
2 whether it was related to SPE. Do you recall that testimony?

3 A. I do.

4 Q. Let's bring up on the screen Exhibit 289, which is in  
5 evidence. And looking at the top, this is the press release  
6 for Q3 of '09; is that right?

7 A. Correct, yeah.

8 Q. What's the date on that?

9 A. October 20th, 2009.

10 Q. So, Mr. Geall, in the three weeks between September 30th,  
11 when you had this phone call, and the issuance of these  
12 quarterly results on October 20th, did you tell anybody about  
13 that hardware contract that you were so concerned about?

14 A. No.

15 Q. Did you follow the advice that you gave Mr. Goodman and go  
16 talk to Mr. Kanter about it?

17 A. No.

18 Q. Were you concerned that Autonomy might be issuing results  
19 that would be incorrect?

20 A. Potentially, yes.

21 Q. Did you tell anybody about that concern?

22 A. No.

23 Q. Let's look at the last page of Exhibit 289. And going  
24 down to the bottom, this is a certification by Deloitte; is  
25 that right?



1 A. It would appear so, yes.

2 Q. Let's just read the conclusion. It says: "Based on our  
3 review, nothing has come to our attention that causes us to  
4 believe that the accompanying quarterly financial information  
5 is not prepared, in all material respects, in accordance with  
6 the recognition and measurement criteria of IFRS," etc.

7 Did you bring anything to Deloitte's attention before they  
8 did this certification?

9 A. I wasn't in discussion with Deloitte.

10 Q. Could you pick up the phone and call them?

11 A. I've never picked up the phone to call Deloitte, so, no, I  
12 didn't.

13 Q. Did you ask anybody in Autonomy management for permission  
14 to talk to Deloitte?

15 A. No.

16 Q. And, by the way, this last page of this press release --  
17 Deloitte would certify every press release; correct?

18 A. Not press release. Every report of accounts, correct.

19 Q. Every report of the financials, they would certify it?

20 A. Yeah. Uh-huh.

21 Q. And these quarterly releases, the rules about quarterly  
22 releases are different in the United Kingdom than in the  
23 United States; right?

24 A. In what way? I don't know.

25 Q. You don't know the difference?

1 A. No.

2 Q. Are you aware that in the United States, quarterly reports  
3 are required, but in the UK, they are not required?

4 A. That's correct. You have to do half yearly results in the  
5 UK, yes.

6 Q. So quarterly reports like this, that is something extra  
7 that Autonomy was doing; right?

8 A. That is correct, yes.

9 Q. Again, on Exhibit 289, would you look at page 6, please.  
10 Mr. Leach spent some time yesterday going over with you the  
11 difference between the Q3/'08 results and the Q3/'09 results.  
12 Do you recall that testimony?

13 A. I do, yes.

14 Q. You also testified yesterday about the fact that Autonomy  
15 made a major acquisition in the first part of 2009; right?

16 A. Correct.

17 Q. They acquired Interwoven?

18 A. That is right.

19 Q. The \$775 million acquisition?

20 A. That is correct.

21 Q. It's true, isn't it, that when one company acquires  
22 another company, that can have an effect on the financials year  
23 over year; correct?

24 A. Absolutely, yes.

25 Q. It can affect the revenue and it can affect the costs;

1 right?

2 A. Uh-huh.

3 Q. We can take that down.

4 You also testified on direct, sir, about a statement on  
5 the bulletin board about no barter transactions. Do you recall  
6 that testimony?

7 A. Correct, yes.

8 Q. I'm sorry?

9 A. Correct, yes.

10 Q. Okay. Are you aware, sir, that whenever Autonomy made a  
11 major purchase from one of its customers, that Deloitte would  
12 review that?

13 A. Okay. Yeah. That's good practice.

14 Q. Are you aware that Deloitte did that? Yes or no?

15 A. No.

16 Q. You're not aware?

17 A. No.

18 Q. Are you aware of the accounting standards that govern  
19 whether or not a purchase and a sale with a customer are  
20 related under the accounting standards?

21 A. No.

22 Q. Are you familiar with the IAS 18?

23 A. Yes.

24 Q. And is that the rule that covers the analysis of whether  
25 two transactions are related?

## GEALL - CROSS / LITTLE

1 A. I don't recall.

2 Q. Are you aware of the testing that Deloitte did whenever  
3 there were two transactions between a customer and Autonomy?

4 A. No.

5 Q. Are you aware of product demonstrations that they  
6 reviewed?

7 A. No.

8 Q. Are you aware of memoranda that they reviewed and  
9 memoranda that they prepared?

10 A. No.

11 Q. In response to one of my questions yesterday about whether  
12 you'd raised any of your concerns about Autonomy before you  
13 left, you said that you told Rob Webb; right?

14 A. Correct. Yes.

15 Q. Who is Rob Webb?

16 A. Rob Webb was a chairman of Autonomy.

17 Q. Let's pull of Exhibit 428, which is in evidence, and take  
18 a look at page 20.

19 Jeff, if you can pull that up. Page 20. That's page 22,  
20 Jeff. Let's find page 20. There we go. Can you just blow up  
21 the profile of Rob Webb on the top left. There we go.

22 Is that Mr. Webb?

23 A. It is, yes.

24 Q. It indicates here that Mr. Webb is a Queen's Counsel. Do  
25 you know what a Queen's Counsel is?

1 A. I do, yes.

2 Q. What is a Queen's Counsel?

3 A. He is a barrister.

4 Q. Well, he is a barrister as opposed to a solicitor. What  
5 is the difference between a barrister and a solicitor?

6 A. A barrister is Queens Counsel; a solicitor isn't.

7 Q. Well, Queen's Counsel is actually a special kind of  
8 barrister; right?

9 A. I don't know. I'm not a law specialist.

10 Q. Not all barristers are Queen's Counsel; right?

11 A. Okay.

12 Q. In fact, only about 10 percent of barristers are Queen's  
13 Counsel; right?

14 A. I don't know.

15 Q. It's considered an honorific; right?

16 MR. LEACH: Objection, foundation.

17 BY MS. LITTLE:

18 Q. Do you know whether it's an honorable title?

19 THE COURT: Sustained. He has no knowledge in this  
20 area.

21 BY MS. LITTLE:

22 Q. It says here that Mr. Webb also was general counsel to  
23 British Airways. Do you see that on the fourth line?

24 A. Yes.

25 Q. And he was responsible in that capacity for oversight of

1 government and industrial affairs; correct?

2 A. Correct. Yeah.

3 Q. And further down, it says that he also was on the board of  
4 the BBC; is that correct?

5 A. Correct, yeah.

6 Q. And he was also on the board of the London Stock Exchange;  
7 is that correct?

8 A. I can't see that -- yes. Correct.

9 Q. And you met with Mr. Webb -- we can take that down.

10 You met with Mr. Webb just as you were leaving Autonomy;  
11 correct?

12 A. Correct.

13 Q. Your conversation with him was on May 24th of 2010;  
14 correct?

15 A. I don't remember the dates, no.

16 Q. Okay. Well, I would ask you to look in your book -- let  
17 me back up.

18 When you met with Mr. Webb, you met him over drinks;  
19 right?

20 A. Correct, yes.

21 Q. Take a look in your book, if you would, at Exhibit 5827.

22 THE COURT: 58 --

23 MS. LITTLE: 5827.

24 THE COURT: 5827. Wait, wait, wait.

25 \\

1 **BY MS. LITTLE:**

2 **Q.** Sir, is that an Outlook calendar entry for you relating to  
3 this meeting with Mr. Webb?

4 **A.** It could be.

5 **THE COURT:** Admitted.

6 (Trial Exhibit 5827 received in evidence)

7 **MS. LITTLE:** Thank you. Let's put it up on the  
8 screen.

9 **Q.** So this is a calendar entry for you on May 24, 2010, "meet  
10 Rob Webb for a drink"; correct?

11 **A.** Correct, yes.

12 **Q.** And it's your claim to this jury that when you met with  
13 Mr. Webb, you told him about all of these concerns that you had  
14 about Autonomy?

15 **A.** Correct.

16 **Q.** And you think that the way to tell Mr. Webb about all  
17 these terrible concerns is to have a drink with him?

18 **A.** That was what he offered to me -- offered me as an  
19 opportunity to meet with him, so I took that opportunity.

20 **Q.** You have spoken with the FBI and the prosecutor in this  
21 case five times before you testified today; right?

22 **A.** Correct.

23 **Q.** You spoke with them on May 16th, 2016 in London; right?

24 **A.** Correct.

25 **Q.** That was a very lengthy interview, was it not?

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1 A. Correct.

2 Q. You spoke with them again on June 27, 2016 by phone;  
3 right?

4 A. Right.

5 Q. You spoke with them again on December 16, 2016 in London;  
6 correct?

7 A. Correct.

8 Q. You spoke with them again on September 28, 2017 here in  
9 San Francisco; correct?

10 A. Correct.

11 Q. And you spoke with them again just this past Monday,  
12 March 5th, here in San Francisco?

13 A. Correct.

14 Q. And it's true, sir, isn't it, that the first time you  
15 talked to the FBI and these prosecutors, you never mentioned to  
16 them that you had raised any of these concerns with Mr. Webb?

17 A. Correct.

18 Q. And the second time you talked to them on the phone, you  
19 never mentioned to them that you supposedly raised these  
20 concerns with Mr. Webb?

21 A. Correct.

22 Q. And, in fact, in your fourth and fifth interview, you  
23 described the concerns a little differently; right?

24 In the fourth interview, you said it related to hardware.

25 In the fifth interview, you said it related to organic growth;



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1 correct?

2 **A.** No, not correct.

3 **Q.** Incorrect.

4 Let's take a look at your fourth interview, Exhibit 5075,  
5 which is --

6 **THE COURT:** Wait, wait, wait. Slow down.

7 **MS. LITTLE:** It's in the little booklet there.

8 **THE COURT:** Five-zero-seven-five.

9 **MS. LITTLE:** It's in this thin booklet, Your Honor.

10 **THE COURT:** Thin book.

11 **BY MS. LITTLE:**

12 **Q.** Take a look at page 6, sir, and just read to yourself the  
13 second paragraph.

14 **THE COURT:** Page what? Sorry?

15 **MS. LITTLE:** Page 6. Second paragraph.

16 **THE COURT:** The second paragraph.

17 **MS. LITTLE:** Second paragraph, page 6.

18 **THE COURT:** Okay. I'll read it.

19 **THE WITNESS:** Yes, I see it.

20 **BY MS. LITTLE:**

21 **Q.** Does that refresh your recollection that the fourth time  
22 you talked to the FBI, the only thing you claimed you told  
23 Mr. Webb was about hardware?

24 **A.** It doesn't refresh my memory because my memory was that  
25 whenever I discussed Rob Webb with the FBI, I mentioned the

1 same four characteristics.

2 Q. So the FBI got it wrong here?

3 A. This is a transcript from the discussion that we had, so I  
4 don't know how they take the notes.

5 Q. You think the FBI got it wrong?

6 MR. FRENTZEN: Objection.

7 THE COURT: Sustained.

8 And the jury is admonished to disregard any inference that  
9 the FBI got it right or got it wrong. That document is not in  
10 evidence.

11 And we'll move on.

12 BY MS. LITTLE:

13 Q. In any event, Mr. Geall, you are telling this jury that  
14 this man with all these credentials, you had a drink with him,  
15 you bared your sole to him, and nothing happened? Is that  
16 your --

17 A. I don't know what action he took with the information I  
18 gave him.

19 Q. Well, he never went back and talked to you about it again?

20 A. I didn't speak to him after I left Autonomy, no.

21 Q. And you claim that you went to Mr. Webb because you didn't  
22 feel comfortable talking to Dr. Lynch; is that right?

23 A. I went to Rob Webb because Rob Webb, during his time at  
24 Autonomy, he had reached out to me on a number of occasions and  
25 said, "If you ever have any concerns or any issues, come to me

**GEALL - CROSS / LITTLE**

1 and discuss them."

2 **Q.** And what about Mr. Hussain, your former office mate, did  
3 you say anything to him?

4 **A.** No.

5 **Q.** And we already established you said nothing to Deloitte?

6 **A.** Correct.

7 **Q.** Or the audit committee, other members of the board;  
8 correct?

9 **A.** Correct.

10 **Q.** How about Mr. Kanter, did you feel uncomfortable talking  
11 to him, too?

12 **A.** No, I didn't feel uncomfortable talking to Mr. Kanter.

13 **Q.** So did you tell Mr. Kanter any of your concerns?

14 **A.** I don't remember.

15 **Q.** Okay. Well, let's take a look in your book at Exhibit  
16 5826.

17 **THE COURT:** 5826.

18 **BY MS. LITTLE:**

19 **Q.** Sir, is that an email that you sent to Mr. Kanter on  
20 May 24, 2010?

21 **A.** It appears to be, yes.

22 **MS. LITTLE:** Move it in, Your Honor.

23 **THE COURT:** Admitted.

24 (Trial Exhibit 5826 received in evidence)

25 **MS. LITTLE:** Let's put it up on the screen.

## GEALL - CROSS / LITTLE

1 Q. So going to the bottom of the email -- first of all,  
2 May 24th is the same day that you were having drinks with  
3 Mr. Webb; right?

4 A. So it appears, yes.

5 Q. Okay. Well, it doesn't just appear. It is; right?

6 THE COURT: That's a way that people answer questions.

7 BY MS. LITTLE:

8 Q. Take a look at the email at the bottom from you to Yvette  
9 Hutchinson and Andrew Kanter, and it says, "copy of expenses."

10 This is your last day and you are sending in your final  
11 expense report; right?

12 A. Okay. Potentially, yes.

13 Q. And then you also say "physical in post." In other words,  
14 you are emailing it to them and you are putting the physical  
15 copy, the hard copy, in the mail; right?

16 A. Correct.

17 Q. Mr. Kanter responds in the next email up, "okay"; right?

18 A. Yes.

19 Q. And then the top email, you respond back to Mr. Kanter,  
20 "Thanks. Let me know when you are next in the Big Smoke so I  
21 can take you out for a farewell drink."

22 What is the Big Smoke?

23 A. It's London.

24 Q. You are saying, "Let me know the next time you're in town,  
25 I'll take you out for a drink"?

1     **A.**     Correct.

2     **Q.**     You didn't use this opportunity to raise any of your  
3     concerns with Mr. Mr. Kanter, did you?

4     **A.**     This was an email to say "next time you're around, it  
5     would be good to catch up."

6     **Q.**     Okay. We can take that down.

7             **THE COURT:** Why do you call London *the Big Smoke*?

8             **THE WITNESS:** Just a colloquial term. The Big Smoke.  
9     Big city.

10            **MS. LITTLE:** I think it has to do with air quality.

11            **THE WITNESS:** I think now Beijing has that title.

12            **THE COURT:** Yes. I would give it to Beijing, hands  
13     down.

14     **BY MS. LITTLE:**

15     **Q.**     After the acquisition was announced, you met with Leo  
16     Apotheker, did you not?

17     **A.**     Leo Apotheker, yes.

18     **Q.**     You met with him at the Deutsche Bank 2011 Tech Conference  
19     in Las Vegas?

20     **A.**     That is correct, yep.

21     **Q.**     At the Cosmopolitan Hotel?

22     **A.**     That is correct, yep.

23     **Q.**     Mr. Apotheker's company, HP, had just acquired Autonomy,  
24     right, or announced the acquisition?

25     **A.**     They had announced the acquisition.

## GEALL - CROSS / LITTLE

1 Q. But the acquisition hadn't yet closed; correct?

2 A. Correct.

3 Q. Did you take that opportunity when you met with  
4 Mr. Apotheker to tell him about your concerns about Autonomy?

5 A. I asked Leo whether he read the research report that I  
6 published on October 20th, expecting him to say that he had,  
7 given that he had known me for a long time, and he said that  
8 hadn't.

9 Q. But that research report also didn't express your concerns  
10 about Autonomy, about the hardware and SPE and all the things  
11 we've been talking about?

12 A. No. Because that was deemed inside information and not  
13 something I could publish in that note.

14 Q. Okay. So if you have inside information and you write  
15 something and you're not disclosing that inside information,  
16 isn't that a problem?

17 A. No. I didn't -- I had no factual evidence.

18 Q. Let's talk about your work at Deutsche Bank.

19 After you let Autonomy, you did go to work as an analyst  
20 at Deutsche Bank; correct?

21 A. Correct.

22 Q. And we saw yesterday Exhibit 996, which was the July 22nd,  
23 2010 report that you did with Mr. Bori?

24 A. Correct, yes.

25 Q. Let's put that up on the screen. Let's take a look at the

## GEALL - CROSS / LITTLE

1 top right-hand corner. Just blow up that little box there.

2 I think you testified that Mr. Bori was primarily  
3 responsible for this report, but you signed off on it as well;  
4 correct?

5 A. I didn't sign off on it because if you take a look at the  
6 analyst signature at the back, you will see that it's Josep  
7 Bori's.

8 Q. But your name is on it?

9 A. Correct.

10 Q. At this point -- let's highlight the price at 1648 and the  
11 price target at 2000. What does that mean, sir?

12 A. The price on the 22nd of July was 16 pounds and 48 pence  
13 and the price target that justified the buy rating was a price  
14 target of 20 pounds.

15 Q. So, in other words, Mr. Bori and you were expressing that  
16 you think Autonomy was worth more than it was actually selling  
17 for?

18 A. Correct.

19 Q. And that's why you say buy?

20 A. That is why it is a buy, yes.

21 Q. And at any place in this report, did you or Mr. Bori talk  
22 about these concerns that --

23 THE COURT: Excuse me. Can I ask, GBP, what does that  
24 stand for?

25 THE WITNESS: Great British Pounds.

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1           **THE COURT:** Sorry?

2           **THE WITNESS:** It's pounds. Pounds sterling. GBP.

3 Great British Pounds.

4           **MS. LITTLE:** Great Britain Pounds.

5 **BY MS. LITTLE:**

6 **Q.** As opposed to U.S. dollars; right?

7 **A.** Correct.

8           **THE COURT:** Thank you. I got it.

9           **MS. LITTLE:** Thank you, Your Honor.

10 **Q.** In any case, in this note, which is Exhibit 996, you  
11 didn't -- you and Mr. Bori said nothing about the concerns that  
12 you had supposedly had about Autonomy; right?

13 **A.** As I mentioned yesterday, this was a results note looking  
14 at the Q2 results and it was a direct commentary on the second  
15 quarter results.

16 **Q.** Okay. But you didn't express any of the concerns that you  
17 talked to Mr. Webb about and that you've told the jury about?

18 **A.** It wouldn't have been appropriate to, no.

19 **Q.** Let's take a look at Exhibit 5804, which is not in  
20 evidence yet, so just take a look at it in your book.

21 Is this a company alert that you and Mr. Bori put together  
22 and published on July 22nd, 2010?

23 **A.** It is, yes.

24           **THE COURT:** Admitted.

25 (Trial Exhibit 5804 received in evidence)



1 **BY MS. LITTLE:**

2 **Q.** Let's take a look again on the top right. Again you have  
3 a buy recommendation; right?

4 **A.** Correct. Yeah.

5 **Q.** And over on the left, the column about the price and price  
6 target, once again you're recommending that this is a bargain,  
7 basically; it's worth more than it's selling for?

8 **A.** Correct. It is a buy, yes.

9 **Q.** And then the third full paragraph that begins "the margin  
10 profile," let's take a look at that.

11 So here it's written, "The margin profile is a concern.  
12 Gross margin of 86 percent was below the 89 percent guidance,"  
13 etc, "due to additional costs associated with hardware sales."  
14 Do you see that, sir?

15 **A.** I do, yes.

16 **Q.** So you and Mr. Bori are telling the market that the change  
17 in gross margins is associated with hardware sales; right?

18 **A.** Correct. Because that was what management had discussed  
19 on the call.

20 **Q.** You don't, in this note, reveal any of these other  
21 concerns that we've been talking about?

22 **A.** Correct.

23 **Q.** We can take that down.

24 Now, by mid August, you took over from Mr. Bori covering  
25 Autonomy; correct?

1 A. Correct, yeah.

2 Q. Look in your book, if you would, at Exhibit 5805. Is this  
3 a company alert that you published on behalf of Deutsche Bank  
4 on August 13th, 2010?

5 A. Correct, yes.

6 THE COURT: Admitted.

7 (Trial Exhibit 5805 received in evidence)

8 BY MS. LITTLE:

9 Q. Let's blow that up.

10 And down at the bottom, we have your name all by yourself  
11 now. Mr. Bori is gone; right?

12 A. Correct, yes.

13 Q. The top right, you still have a buy recommendation?

14 A. Correct, yes.

15 Q. And over on the left, the price and the price target,  
16 you're still saying it's a bargain; right?

17 A. I'm saying the share price was below the target price.

18 Q. It's worth more than it's selling for; right?

19 A. Yes.

20 Q. Again, nowhere in this do you talk about the concerns that  
21 you supposedly had?

22 A. Correct, yes.

23 Q. Let's take a look at Exhibit 1154, which is in evidence.

24 This was your October 10th, 2010 report that you just mentioned  
25 a few minutes ago?

1     **A.**    Correct.

2     **Q.**    And this is the report where you changed the  
3     recommendation to a hold; right?

4     **A.**    Correct, yes.

5     **Q.**    And I think you testified on direct that this report was  
6     issued four days after Autonomy had announced that it was  
7     reducing its revenue predictions for the quarter; right?

8     **A.**    Correct, yes.

9     **Q.**    Okay. And, again, nowhere in this report do you talk  
10    about your concerns about hardware and SPE; right?

11    **A.**    Correct, yes.

12    **Q.**    And take a look, if you would, at page 3 where it mentions  
13    risks. No mention there about the concerns that you've been  
14    talking about?

15    **A.**    Correct.

16    **Q.**    And take a look at page 27, if you would, sir. You see  
17    the -- is that it? Maybe I've got the wrong page. Hang on.  
18    Bear with me for a second.

19         Here we go. Page 8. Sorry about that.

20         No, Jeff, that's not it. It's page 8 of the report. It's  
21    called Appendix 1.

22           **THE COURT:** Well, that's what this is, I think.

23           **MS. LITTLE:** That was it?

24           **THE COURT:** I think it was.

25           **MS. LITTLE:** There we go. Okay. There we go.

1 Q. And down at the bottom where it says "analyst  
2 certification," let's blow that up.

3 This is your certification about the integrity of the  
4 information that you're putting in this report; correct?

5 A. Correct, yes.

6 Q. And you said in here, "The views expressed in this report  
7 accurately reflect the personal views of the undersigned lead  
8 analyst about the subject issuer and the securities of the  
9 issuer"; correct?

10 A. Correct.

11 Q. Is that certification true or false?

12 A. That certification is true.

13 Q. But yet you didn't reveal any of your concerns that you  
14 supposedly had about Autonomy?

15 A. Because I didn't have any factual evidence to support.

16 Q. I'd like you now -- we can take that down.

17 I'd like you to just look -- I'm not going to do these one  
18 by one. If you would look in your book, please, at Exhibits  
19 5807 through 5819. They should be in a whole line in a row.  
20 And I'm going to ask you whether all of these exhibits  
21 represent notes or company alerts that you prepared and  
22 published while you were at Deutsche Bank.

23 A. Correct.

24 MR. DOOLEY: I move them in, Your Honor.

25 THE COURT: Admitted.

## GEALL - CROSS / LITTLE

1 (Trial Exhibits 5807 through 5819 received in  
2 evidence)

3 **BY MS. LITTLE:**

4 **Q.** I'm not going to go through them one by one.

5 Would you agree with me that these are reports that you  
6 wrote in 2010 or 2011?

7 **A.** Correct, yes.

8 **Q.** And nowhere in these reports do you reveal any of your  
9 grave concerns about Autonomy?

10 **A.** Correct, yes.

11 **Q.** Now, Mr. Geall, you've told this jury that you left  
12 Autonomy because of these concerns you had, but there was  
13 another more fundamental reason that you left Autonomy; right?

14 **A.** What was that?

15 **Q.** You weren't making enough money; right?

16 **A.** No. I'd made a decision to go to Autonomy and took a  
17 reduction in pay to learn from Autonomy and to learn from Mike  
18 and Sushovan.

19 **Q.** You told the FBI that one reason you left Autonomy was  
20 because you weren't making enough money; right?

21 **A.** I didn't get paid as much as I had done prior, no.

22 **Q.** Okay. And you told the FBI that at Autonomy, you were  
23 making only 125,000 pounds a year, whereas as an analyst, you  
24 had been making 400,000 pounds a year; right?

25 **A.** That is correct, yes.

## GEALL - CROSS / LITTLE

1 Q. And 400,000 pounds a year is what in U.S. dollars?

2 A. I don't know what the current exchange rate is. Probably  
3 about 600,000.

4 Q. So when -- that's what you were making at Citibank. You  
5 were making 600,000 a year at Citibank, and you took basically  
6 a 60 percent pay cut to go to Autonomy; is that right?

7 A. No.

8 So what actually happened was I took the same basic  
9 salary, and Mike, as part of my discussions, had said I would  
10 get a bonus. Never paid me a bonus.

11 Sushovan generously did give me some stock options, so  
12 that made up a difference.

13 Q. You took a significant pay cut to go to Autonomy; right?

14 A. Correct, yes.

15 Q. You testified on direct that you left Citibank because you  
16 had a falling out with your head of research. Do you recall  
17 that testimony?

18 A. Yes, I do. Yes.

19 Q. That's not what you told the FBI in your interviews, is  
20 it?

21 A. Why? What did I tell hem?

22 Q. I'm sorry?

23 A. I don't recall what I told them.

24 Q. Let's take a look, if you would, at Exhibit 5072, which is  
25 in your little thin booklet. Take a look at page 2, if you

## GEALL - CROSS / LITTLE

1 would.

2 **THE COURT:** And what paragraph?

3 **MS. LITTLE:** I'm sorry. The first full paragraph at  
4 the top.

5 **THE COURT:** Thank you. Okay. Read that to yourself.

6 What is the question?

7 **BY MS. LITTLE:**

8 **Q.** Do you recall telling the FBI that you left Citibank  
9 because you had mistakenly stayed too long there as opposed to  
10 some falling out with your boss?

11 **A.** Sorry. Where am I reading this?

12 **THE COURT:** The first paragraph.

13 **MS. LITTLE:** The first paragraph.

14 **THE WITNESS:** What page?

15 **THE COURT:** Page --

16 **MS. LITTLE:** Page 2 --

17 **THE COURT:** Sorry. I'll let you do it. Okay. Go  
18 ahead.

19 **BY MS. LITTLE:**

20 **Q.** Page 2, the first full paragraph that says, "In 2008,  
21 Geall became bored." Do you see that?

22 **A.** I do, yes.

23 **Q.** So does that refresh your memory that you gave the FBI a  
24 different reason for why you left Citibank?

25 **A.** No. All those reasons are valid.

## GEALL - CROSS / LITTLE

1 Q. Okay. You told the FBI that you left because you were  
2 bored and because you had mistakenly stayed too long; right?

3 A. I had been at Citigroup for nine years doing exactly the  
4 same job, yes --

5 Q. You didn't tell the --

6 A. And I had about become bored.

7 Q. I'm sorry. Go ahead. Finish.

8 A. I had stayed at Citigroup for nine years covering the same  
9 stocks. I was doing effectively the same role, which is why I  
10 had the discussion with my head of research about trying to  
11 find another role internally and also why, you know, the  
12 opportunities weren't there, and that's when I started to have  
13 some discussions internally with Charlie Lytle, he -- accused  
14 of being my boss yesterday. He was working on the capital  
15 market side, and he said, "Look, there are some opportunities  
16 for you in Citigroup on this side of the business."

17 But I wasn't sure whether that was enough of a change. So  
18 when Mike had a discussion with me, that's why I took that  
19 opportunity.

20 Q. Okay. So you took the significant pay cut because you  
21 were bored and you thought you had mistakenly stayed too long?

22 A. No. I took the pay cut because I thought I had a lot to  
23 learn from Mike Lynch, who was one of the top technology  
24 entrepreneurs in the UK.

25 Q. What was this falling out with your boss that you told the



**GEALL - REDIRECT / LEACH**

1 jury about yesterday? What was that about?

2 **A.** He was unhappy with my performance.

3 **Q.** In what way?

4 **A.** He felt I'd been there too long, and I had brought on a  
5 strong number two to follow up, and he wanted to basically try  
6 and give more responsibility to him so he was trying to make me  
7 redundant.

8 **Q.** Trying to make you redundant. What does that mean some?

9 **A.** He wanted to basically give my job to somebody else.

10 **Q.** So you were fired, basically; right?

11 **A.** No. That's why when the capital markets team -- they  
12 offered me a role, so I didn't need to leave Citigroup.

13 **MS. LITTLE:** That's all I have, Your Honor.

14 **THE COURT:** Thank you.

15 Redirect.

16 **MR. LEACH:** Thank you, Your Honor.

17 **REDIRECT EXAMINATION**

18 **BY MR. LEACH:**

19 **Q.** Good morning, Mr. Geall.

20 **A.** Good morning.

21 **Q.** Ms. Little asked you about a conversation that you had  
22 with Rob Webb in May of 2010 as you were leaving Autonomy. Do  
23 you recall that --

24 **A.** I do.

25 **Q.** -- exchange?

1 Take a moment and describe what you said to Mr. Webb.

2 **A.** So I'd called for the meeting as part of my departure from  
3 Autonomy. As highlighted, he was at an event, so I went to  
4 visit him at that event.

5 We were out in -- out in a courtyard behind the event that  
6 he'd been at. I don't recall exactly the location, but it was  
7 in Central London.

8 He asked why, you know, I wanted to meet, and I said that,  
9 you know, over the -- over the -- my period at Autonomy, there  
10 were a number of areas that were causing me concern. I  
11 discussed with him, you know, concerns around the OEM business  
12 and some of the discussions I had with Harold Collette. I  
13 discussed with him some of my concerns over how M&A or the  
14 acquisition strategy of Autonomy was being used to potentially  
15 accelerate the organic growth rate, and the organic growth rate  
16 was an important KPI for the performance of the business and  
17 something that the financial community was looking at.

18 I sort of commented on potentially some concerns over  
19 restructuring of contracts, particularly relating to the  
20 Interwoven acquisition and mentioned my concerns over this  
21 contract that I saw or Pete Goodman saw that he told me about  
22 and the concerns that this was maybe related to IDOL SPE.

23 **Q.** You described something relating to OEM and Harold  
24 Collette. What did you tell Mr. Webb about that?

25 **A.** That, you know, from what I understood, the OEM business

1 was not as large as it was purported to be. OEM was a critical  
2 component of the growth story of Autonomy, and, you know, maybe  
3 that is something that needed to be checked.

4 **Q.** Why did you think that?

5 **A.** Because, you know, the OEM business was about driving and  
6 delivering a very high gross margin for the business. It was  
7 also what was going to scale the business.

8 You know, Mike Lynch described it as the piña colada sales  
9 model where his sales guys could sit on the beach drinking  
10 piña coladas and you had the rest of the industry selling  
11 software on your behalf, so OEM was a critical component to the  
12 growth story of Autonomy.

13 **Q.** You also spoke to Rob Webb about your concern that merger  
14 and acquisitions were being used to accelerate the organic  
15 growth rate; is that fair?

16 **A.** Correct, yes.

17 **Q.** What is the organic growth rate?

18 **A.** So the organic growth rate is the underlying growth a  
19 business generates based on its own products.

20 When an acquisition is acquired, analysts will strip out  
21 the contribution from the acquisition so you still understand  
22 what the underlying growth is because that's -- that's what  
23 drives ultimately cash and that's ultimately what drives the  
24 performance of the business.

25 What Autonomy --

1           **MS. LITTLE:** Your Honor, I'm going to object. He can  
2 talk about what he told Mr. Webb, but he can't go on an  
3 exposition about everything else.

4           **THE COURT:** Overruled. I think he can say what  
5 motivated him to say the things that he said. I think that's  
6 appropriate.

7           **MR. LEACH:** Thank you, Your Honor.

8           **THE WITNESS:** So the organic growth rate is always a  
9 number that every analyst is trying to get to. And, you know,  
10 one of the -- one of the two things that I saw at Autonomy,  
11 one, was there was a desire to integrate IDOL as quickly as  
12 possible into -- into the acquired business, so, for instance,  
13 within the Interwoven portfolio, the content management  
14 solution, IDOL was integrated or needed to be integrated within  
15 90 days.

16           And the reason that speed of integration was required was  
17 so that when new sales were done of the Interwoven product, the  
18 argument could be made to the auditors that this was because of  
19 IDOL. So it wasn't acquired growth. It was organic growth.  
20 The fact that it was the Interwoven product that was being  
21 sold, the reason that deal was there was because of IDOL.

22           So, you know, that was then effectively distorting what  
23 was acquired growth versus what was organic growth, in my mind.

24           **BY MR. LEACH:**

25           **Q.** You also described to Mr. Webb the hardware contract that

1 you had potentially learned about in the third quarter of 2009?

2 **A.** Correct, yeah.

3 **Q.** What concerns were you expressing to him there?

4 **A.** I mean, again, you know, Autonomy was a pure software  
5 business model, you know, 90 percent based on software product,  
6 10 percent on services.

7 Up until, you know, very late in 2010 and 2011, early  
8 2011, hardware had never even been a consideration. And when  
9 it was, it was always a very small contribution of hardware  
10 relating to this IDOL SPE Quick Start program.

11 So, you know, having what looked like a contract that was  
12 potentially, you know, loss-making for Autonomy and that wasn't  
13 coming up in the P&L, as far as I could see, was -- was a  
14 concern and worthy of follow-up by Rob Webb.

15 **Q.** Why did you choose to go to Rob Webb?

16 **A.** Rob Webb was the independent chairman. Mike Lynch had  
17 brought him onto the board to demonstrate a strong degree of  
18 corporate governance for Autonomy, which had been a concern  
19 that many investors had raised in the past. They felt that the  
20 board was not independent. Sushovan and Mike Lynch were, you  
21 know, long-time friends.

22 Rob Webb was brought in to basically ensure that corporate  
23 governance. And, you know, Rob, over the time, as I mentioned  
24 before -- you know, I had met up on a number of occasions, and,  
25 you know, he'd always said, "If there is anything you want to

1 discuss, discuss with me."

2 So from my perspective, he had the right role on the board  
3 and he'd also made that offer to me to discuss whatever was  
4 relevant.

5 Q. Why did you not go to Mike Lynch?

6 A. Mike Lynch would have just laughed at me. Right? So  
7 there was, you know -- to go to Mike and say, "Look, Mike, I  
8 think all these things are a concern" -- you know, a lot of  
9 answers that he had given me up until that point were, you  
10 know -- were part of that. I saw no reason why he would say  
11 something different now.

12 Q. Was Autonomy the type of culture where you would question  
13 Mike Lynch?

14 A. No. Never.

15 Q. Explain that.

16 A. Mike is a, you know -- probably one of the most  
17 intelligent people I've ever met. It is almost impossible to  
18 have a structured argument with him because he's always five  
19 moves ahead of you in terms of how -- in terms of his thought  
20 process. People just didn't question him. I don't know of  
21 anyone who really questioned him, including other board  
22 members.

23 Q. Why did you not go to Sushovan Hussain?

24 A. For the same reason. You know, I'd have discussions with  
25 Sushovan. A lot of the answers that were causing me concerns

1 were from Sushovan. I saw no reason why he would give me a  
2 different answer.

3 Q. If we could please go to Exhibit -- as I'm looking for the  
4 exhibit, Mr. Geall, do you recall questioning on  
5 cross-examination relating to SOP 97-2?

6 A. I do, yes.

7 Q. What is that?

8 A. SOP 97-2 is the U.S. GAAP accounting standard for  
9 recognition of software. Software recognition.

10 Q. And I think you said previously it's the gold standard for  
11 software accounting; is that correct?

12 A. Correct, yeah.

13 Q. Did you hear Sushovan Hussain say on more than one  
14 occasion that Autonomy followed SOP 97-2?

15 A. No.

16 Q. Did you hear him refer to this gold standard that Autonomy  
17 looked to?

18 A. Yes, indeed.

19 Q. Explain that.

20 A. So although, as has been pointed out, Autonomy published  
21 it's reporting accounts under IFRS, discussions with the  
22 financial community, mostly by Mike Lynch, was that, you know,  
23 effectively Autonomy adhered to SOP 97-2, so it wasn't formally  
24 signed off, but it adhered to those principles, the rationale  
25 being that Mike wanted to ensure that financial -- financial

## GEALL - REDIRECT / LEACH

1 companies or investors, you know, treated it in the same way  
2 that they did other U.S. companies that followed 97-2.

3 Q. And why was it important to be perceived that way?

4 A. Mike Lynch always positioned Autonomy as a super  
5 high-quality business, and so 97-2 was a backing of that.

6 Q. You were questioned on cross-examination about  
7 Mr. Hussain's involvement in sales. Do you recall that  
8 testimony?

9 A. I do, yes.

10 Q. And did you perceive him to be essentially leading the  
11 sales effort on behalf of Autonomy?

12 A. I did, yes.

13 Q. Why? What did you observe?

14 A. I mean, I think there's a difference between being on top  
15 of the numbers and being involved in a significant number of  
16 the deals personally, and my experience was that Sushovan was  
17 in constant contact, daily contact, probably, with Mike Mooney.

18 He used to comment on the fact that he used to go home  
19 after work, go on the treadmill, and have a daily call with  
20 Mike to discuss deals and opportunities that were there, so,  
21 you know, that was, in my mind, more than the insights a CFO  
22 would look for.

23 Q. Did you also observe him leading the SMS calls?

24 A. He did lead some of the SMS calls.

25 Q. What are the SMS calls?



1 A. These were the internal sales calls with the account  
2 executives at SAP -- at Autonomy, sorry.

3 Q. Now, I want to understand your employment chronology.

4 You start off as an analyst at Citigroup. You go to  
5 Autonomy. Then you go to Deutsche Bank at some point in 2010?  
6 Do I have that right?

7 A. Correct. Yeah.

8 Q. What do you do after going to Deutsche Bank?

9 A. I went to SAP.

10 Q. SAP. When you went to join Deutsche Bank, did you -- were  
11 there issues related to the fact that you had been an employee  
12 at Autonomy and were now going to be covering Autonomy?

13 A. There weren't issues. There were concerns that I raised  
14 with the compliance team. My initial feeling would have been  
15 that the compliance team would have liked there to have been a  
16 certain period of time before I published on Autonomy if I was  
17 to take back coverage, and, you know, we went through at least  
18 one set of results because we felt that that was -- that was  
19 appropriate.

20 But ultimately, they were -- they were happy with me  
21 following Autonomy. It was an important stock in the UK market  
22 and it would have been difficult to not follow Autonomy.

23 Q. Did you feel free to disclose information you had learned  
24 while you were at Autonomy as part of your Deutsche Bank  
25 reports?

1 A. No.

2 Q. Why was that?

3 A. You're always having to make a judgment call between what  
4 is publicly-available information that you're getting either  
5 from financial statements or from discussions with management  
6 as an analyst versus, you know, what you may know as having  
7 been part of a management team.

8 So this is why the compliance team wanted to make sure  
9 that we put some time between me formally taking coverage so  
10 that that wasn't a risk.

11 MR. LEACH: Thank you, Mr. Geall.

12 Thank you, Your Honor. I have nothing further.

13 MS. LITTLE: One question.

14 RECROSS-EXAMINATION

15 BY MS. LITTLE:

16 Q. Mr. Geall, did you ever tell the compliance team at  
17 Deutsche Bank that you had all these concerns and information  
18 that you were going to withhold as you wrote your reports?

19 A. I don't remember.

20 Q. You don't remember?

21 A. No.

22 MS. LITTLE: Thank you.

23 THE COURT: Okay. You're excused. Thank you very  
24 much.

25 Can I see the parties at sidebar?

**SIDEBAR**

1 And, ladies and gentlemen, you can stand up, stretch,  
2 talk, whatever.

3 (The following proceedings were heard at the sidebar:)

4 **THE COURT:** So do you want to state your concerns? I  
5 assume we are talking about the next witness?

6 **MR. KEKER:** No.

7 **THE COURT:** Oh, we're not. We will deal with it  
8 later.

9 **MR. KEKER:** Third witness.

10 (Sidebar conference ended and proceedings held in open court)

11 **MR. FRENTZEN:** Your Honor, the Government calls Jane  
12 Snider.

13 **THE CLERK:** Please raise your right hand.

14 **JANE SNIDER,**

15 called as a witness for the Government, having been duly sworn,  
16 testified as follows:

17 **THE CLERK:** Thank you. Please be seated.

18 Please state your full name for the record and spell your  
19 last name.

20 **THE WITNESS:** Okay. My name is Jane Elizabeth  
21 Cavanaugh Snider, and my last name is S-N-I-D-E-R.

22 **THE CLERK:** Can you spell your middle name.

23 **THE WITNESS:** My full middle name is Elizabeth  
24 Cavanaugh, E-L-I-Z-A-B-E-T-H C-A-V-A-N-A-U-G-H. No hyphens.

25 **MR. FRENTZEN:** May I proceed, Your Honor?

1 THE COURT: Sure.

2 DIRECT EXAMINATION

3 BY MR. FRENTZEN:

4 Q. Good morning, Ms. Snider.

5 A. Good morning.

6 Q. Where do you live?

7 A. Minneapolis, Minnesota. Wayzata, actually.

8 Q. What's that? I'm sorry.

9 A. Wayzata, Minnesota. It's a suburb of Minneapolis.

10 Q. Can you do us a favor of spelling that?

11 A. W-A-Y-Z-A-T-A.

12 Q. And what do you currently do for a living?

13 A. I'm a senior consultant with Deloitte Consulting in the  
14 technology, strategy and transformation practice.

15 Q. And the jury has heard some stuff about Deloitte. Are you  
16 an accountant?

17 A. I am not.

18 Q. Do you perform any type of auditing or audit functions at  
19 Deloitte?

20 A. I do not. I sit within the consulting group.

21 Q. Could you just give us some idea of what that consulting  
22 group does.

23 A. My -- my group within consulting is responsible for  
24 helping companies make software better, faster, and cheaper.

25 Q. Okay. How long have you been at Deloitte?

1 A. It will be two years in May.

2 Q. I'd like to take you back, if I could. Could you tell us  
3 a little bit about your education, please.

4 A. Sure.

5 I graduated from the University of Minnesota in the mid  
6 '90s with a degree in political science.

7 Q. What type of work did you pursue after graduating college?

8 A. I was a paralegal.

9 Q. For about how long?

10 A. Roughly ten or eleven years.

11 Q. What law firm?

12 A. Two different law firms. Dorsey & Whitney and then and  
13 Plant Mooty and then back to Dorsey & Whitney.

14 Q. At some point in time, did you go to work for a company  
15 called Stratify?

16 A. I did.

17 Q. When was that?

18 A. 2007, early 2007.

19 Q. What was Stratify?

20 A. Stratify was an eDiscovery software as a service company.

21 Q. All right. Can you describe for us what that means,  
22 what's software as a service?

23 A. Sure. It's a web-based application, similar to Google or  
24 Facebook where you log on through your computer to review  
25 documents.

1 Specifically eDiscovery is for lawyers and investigators  
2 to review documents pursuant to some piece of litigation or  
3 investigation.

4 Q. And in terms of working at Stratify, what was your job?

5 A. I was a sales executive.

6 Q. A what?

7 A. A sales executive.

8 Q. What were you responsible for as a sales executive?

9 A. Business development and delivering sales.

10 Q. How do you deliver sales?

11 A. You prospect new clients, you build relationships,  
12 long-term client relationships, and serve those relationships  
13 by selling software to them.

14 Q. And at Stratify, when you say "selling software to them,"  
15 was this selling software in the sense of "here is some  
16 software, you're buying it from us, we're giving it to you, see  
17 you later"? Or was it more in the vein of what you were  
18 talking about before, software as a service?

19 A. No. It was entirely software as a service. So they  
20 worked with -- for a particular investigation or lawsuit that a  
21 client would have, there would be a set of documents that need  
22 to be reviewed.

23 We would take those documents and process them into the  
24 system using duplication methods, perhaps keyword search terms  
25 that had been negotiated and filtered, removing white space,

1 and things of that nature to define a document set that would  
2 be hosted on Stratify's servers and then reviewed in a  
3 web-based interface where the reviewers, either the lawyers or  
4 investigators, would log in and review those documents online.

5 **Q.** So if you at Stratify -- if you sold to a customer, they  
6 would get this web-based access, but the data was hosted by  
7 Stratify?

8 **A.** That's correct. They would receive a user ID and  
9 credentials and they would log in to the servers. Stratify did  
10 all of the data management and data handling, and they would --  
11 the client would work hand and hand with the Stratify project  
12 manager.

13 **Q.** While you were at Stratify, did you have a customer that  
14 was Abbott Labs?

15 **A.** I did.

16 **Q.** What is Abbott Labs?

17 **A.** They are a pharmaceutical company. They make things like  
18 Similac and HUMIRA and Depakote, different drugs and products  
19 for the end consumers.

20 **Q.** Was Abbott Labs one of your customers?

21 **A.** Yes.

22 **Q.** Starting when?

23 **A.** The time I joined Stratify, they became my -- my customer.  
24 They had signed their initial contract with Stratify in the  
25 months preceding my joining.

1 Q. So when you came into Stratify, did you inherit Abbott as  
2 a customer, basically?

3 A. I did.

4 Q. Do you know where Abbott is based?

5 A. They are based in Abbott Park, Illinois. Waukegan,  
6 Illinois, just north of Chicago.

7 Q. Can you describe for us in terms of Abbott Labs'  
8 relationship with Stratify, how did they -- what was the --  
9 what was the engagement in terms of how they would pay or how  
10 they agreed to pay Stratify, if that makes sense?

11 A. Sure.

12 About six months before I joined Stratify, a Master  
13 Professional Services Agreement, an MPSA, was entered into  
14 between Stratify and Abbott. That agreement was, you know,  
15 dictated the governing terms of the relationship and set forth  
16 a pricing structure that then would be used, tied to a  
17 statement of work for each individual database. So each  
18 lawsuit or investigation would have its individual database.

19 Those pricing terms would time to time be negotiated given  
20 volumes and things like that. But it was based on an MPSA with  
21 statements of work tied to each.

22 Q. With the MPSA and the statements of work, was this a "pay  
23 us up front" model or was it a "pay as you go and as you need  
24 us" type of model?

25 A. No. It was always a pay on services rendered.



1 Q. So what does that mean?

2 A. So each month, Abbott would receive an invoice for the  
3 work that had been done in the previous month. So the number  
4 of -- the gigabytes of data hosted, number of documents  
5 produced, the actual hosting fee, any professional services  
6 that went along with that, they would be billed for the month  
7 before.

8 Q. As your work at Stratify continued, from time to time was  
9 there reason to update the MPSA with Abbott?

10 A. Yes. For several reasons.

11 Number one, the agreement had a two-year term, so every  
12 two years, it would be renegotiated for -- globally.

13 But also the market was under a lot of compression at that  
14 time. EDiscovery were becoming commoditized and so actual data  
15 processing fees were coming down.

16 So to keep up with market rates and to do the right thing  
17 to Abbott as my customer, we would renegotiate that pricing  
18 from time to time.

19 And also if a particular matter was exceptionally large,  
20 volume discounts would come into play.

21 Q. Okay. And what sorts of things might trigger that sort of  
22 a large volume?

23 A. Would you say that again?

24 Q. Yeah. What sort of events are we talking about that might  
25 trigger the need for Abbott to have a large volume and thus

1 renegotiate, potentially?

2 **A.** There could have been a particular case that was requiring  
3 a lot of custodial or individual data to be reviewed. So that  
4 might -- or there could be a very large intellectual property  
5 case that came up. Those are two examples of things that did  
6 happen.

7 **Q.** So Abbott's needs relied on the extent to which Abbott was  
8 involved in litigation?

9 **A.** Yes. Litigation or some sort of investigation.

10 **Q.** All right.

11 At some point in time after you started at Stratify, was  
12 Stratify acquired by another business?

13 **A.** Yes. Perhaps around two, two and a half years after I  
14 joined Stratify, Stratify was acquired by Iron Mountain and  
15 then subsequently by Iron Mountain Digital -- moved into Iron  
16 Mountain Digital.

17 **Q.** What was Iron Mountain Digital?

18 **A.** Well, Iron Mountain, as probably many people know, they  
19 are a document retention system and destruction company. They  
20 had digital assets which they moved into sort of a subdivision  
21 of that company called Iron Mountain digital.

22 **Q.** When Stratify was acquired by Iron Mountain Digital, for  
23 you as a sales executive, did things change materially in terms  
24 of your day-to-day?

25 **A.** No, not -- not really at all. We were kept separate.

1 Q. Did things change in terms of your relationship with  
2 Abbott Labs as a customer?

3 A. No.

4 Q. I'd like to now, if I could, direct your attention to --  
5 actually, before I do that, let me show you a document that's  
6 been marked as Government's 1655. Take a look at 1655, please.

7 MR. DOOLEY: We have no objection, Your Honor.

8 THE COURT: Admitted.

9 (Trial Exhibit 1655 received in evidence)

10 BY MR. FRENTZEN:

11 Q. Ms. Snider, we've got -- do you see the screen there in  
12 front of you? Can you read that?

13 Do you see where -- or see the heading on this email? Can  
14 you place this -- tell us what date this is, please?

15 A. March 28, 2011.

16 Q. It's from you?

17 A. It's from me.

18 Q. To who?

19 A. Terri Martorana.

20 Q. Who is Terri Martorana?

21 A. Terri was the vendor relations manager for Abbott Labs.

22 Q. And this particular document, does it -- I mean, this  
23 email, did it attach certain documents for Terri?

24 A. Yes. This email was me sending her a copy of the most  
25 recent event -- amendment to the master professional services

1 agreement, along with the pricing model that was in place at  
2 that time and the template work order or statement of work form  
3 that had -- that we were using at that time.

4 **MR. FRENTZEN:** And if we could, please, Ms. Margen,  
5 could we go to page 5 of this document. and can we just scroll a  
6 little bit up. Great.

7 **Q.** Ms. Snider, is this sort of an example of how Abbott liked  
8 to engage with Stratify and then Iron Mountain Digital in terms  
9 of how they handled the work done and how they paid for it?

10 **A.** Yes. Absolutely. This -- this pricing schedule lays out  
11 all the possible areas that we would engage with them on a  
12 particular matter, and those -- from this pricing schedule,  
13 those would be captured in a statement of work.

14 But as I said earlier, this just outlines -- lays out, you  
15 know, the fees around the possible things that would be charged  
16 in a given month on a given invoice.

17 **Q.** Okay. And are these -- in other words, sort of for lack  
18 of a better phrase, à la carte?

19 **A.** This is an à la carte price list, cafeteria plan pricing.

20 **Q.** So the payment month to month depends on what it is that,  
21 at this time, Iron Mountain Digital does for Abbott?

22 **A.** That's correct.

23 **Q.** And does this remind you that in March of 2011, you were  
24 having conversations with Abbott Labs about the MPSA and sort  
25 of negotiating future terms?

1 A. We would have -- we were renegotiating or beginning the  
2 renegotiation process. Going through procurement and legal  
3 takes time, so we typically started those processes six months  
4 or so in advance of them coming due. So this would have been  
5 the sort of initial conversation.

6 Q. Shortly after late March of 2011 -- I'd like to direct  
7 your attention to May of 2011. Was Iron Mountain Digital  
8 acquired by another company?

9 A. I can't confirm the exact month, but somewhere around that  
10 time frame, we were acquired -- it was announced that we were  
11 being acquired by Autonomy.

12 Q. And so in 2011, did Autonomy acquire --

13 A. Yes.

14 Q. -- iron Mountain Digital?

15 A. Yes.

16 MR. FRENTZEN: Your Honor, I don't know if there will  
17 be an objection or not. I will represent it was in May of  
18 2011.

19 MR. DOOLEY: No objection.

20 BY MR. FRENTZEN:

21 Q. Can you tell us after Autonomy --

22 THE COURT: Maybe we should take a recess now.

23 Ladies and gentlemen of the jury, we will be in recess  
24 until 10:20. Remember the admonitions given to you. Don't  
25 discuss the case, allow anyone to discuss it with you, form or

1 express any opinion.

2 (Proceedings were heard out of presence of the jury:)

3 **THE COURT:** Let the record reflect the jurors have  
4 retired.

5 So what is the issue about the witness after -- you can  
6 step down, Ms. Snider.

7 **MR. KEKER:** Your Honor, the -- it's not the next  
8 witness. Ms. Snider, and then Mr. Blanchflower and then either  
9 Mr. Truitt or Cronin.

10 The order had been the next witness was Cronin. The two  
11 witnesses after that is David Truitt, who is a big witness.

12 At 8:45 last night, I get this notice from Mr. Reeves that  
13 they are flipping the order. They working on Cronin. This is  
14 huge number of documents, as you know, with all of these  
15 witnesses, and then he tells me he is moving up Truitt and  
16 postponing Cronin to where Truitt was going to be.

17 I objected last night and said, "If you don't put it back  
18 I'm going to raise it with the Court." This isn't the way this  
19 trial ought to run. Everybody is working hard, doing our best,  
20 but --

21 **THE COURT:** Okay. All that's true. Go ahead.

22 **MR. REEVES:** The Government gave the defense notice --

23 **THE COURT:** What happened? I mean, the problem is --  
24 okay. I should let you finish because I don't know -- give me  
25 times. Tell me what happened. Okay.

1           **MR. REEVES:** The Government gave notice to the defense  
2 that we would be calling Mr. Truitt two weeks ago, and we gave  
3 the list of the exhibits we would be using with him two weeks  
4 ago.

5           Mr. Truitt traveled to California last week. Because of  
6 the schedule and the way things happened, he had to go home to  
7 the East Coast or to Chicago. He certainly traveled out of the  
8 district.

9           He has now come back, and I think at the rate we're going,  
10 he will be the -- not the next witness, but the witness  
11 thereafter. I don't think the direct for Mr. Truitt will end  
12 today.

13           And so I think on this record, it's difficult for me to  
14 see what real prejudice there is in proceeding in this manner,  
15 which is an accommodation to his travel when we are juggling  
16 multiple people's schedules and trying to get him done by  
17 tomorrow so he doesn't have to travel out here a third time. I  
18 think that's reasonable, Your Honor.

19           **MR. KEKER:** And my question is did they just figure  
20 out that Mr. Truitt was going to travel at 8:45 last night.  
21 This sounds like something they could have told me a week ago.

22           **MR. REEVES:** I was preparing a witness until 8:45 last  
23 night. So let me figure out when we learned that.

24           **MR. KEKER:** And we got a new 302 this morning for  
25 Mr. Truitt.

1           **THE COURT:** Well, I don't know -- my way of looking, I  
2 mean, there are a number of factors, but I think we have to  
3 really try to accommodate witnesses' travel schedules, and that  
4 means to some extent inconveniencing the counsel.

5           I appreciate what you were doing. I am concerned that we  
6 don't require him to go out a third time. Can we call him like  
7 the next witness? How long is this witness going to be?

8           **MR. FRENTZEN:** Not long.

9           **THE COURT:** That is my sense. Maybe you don't want  
10 that.

11          **MR. KEKER:** I don't want that. I want to examine  
12 Mr. Cronin.

13          **THE COURT:** How long will Mr. Truitt be?

14          **MR. REEVES:** I think he will be one to two hours on  
15 the direct. I'm thinking one to two hours on the cross. Very  
16 broad numbers.

17          The goal, just as the Court has identified, is to get him  
18 done by Thursday so he does haven't to come out here again.  
19 And I am concerned that if we put in some of the other  
20 witnesses whose schedule is more flexible, that is precisely  
21 what will happen.

22          This is not unreasonable. We are all working hard --

23          **THE COURT:** Nobody has to keep saying that. I know  
24 you're all working hard.

25          **MR. FRENTZEN:** Your Honor, may I just say briefly,



1 I've never seen -- I've seen, okay, here are witnesses for the  
2 days that are coming up, but, you know, we see what happens on  
3 the fly and can we pack this witness in and get this witness  
4 out. The order, exact order, I've never been required to do.  
5 We've been giving them --

6 **THE COURT:** And I'm not requiring.

7 **MR. FRENTZEN:** -- the notice that we were required to  
8 give them, and things change on us at the last minute.

9 **MR. KEKER:** If Mr. Frentzen is breaking the deal that  
10 was made really clearly, let him tell us now. We had a deal,  
11 and the deal was three days' notice and you give order and so  
12 on. We had a deal. If they're breaking it, I would like to  
13 know right now.

14 **MR. FRENTZEN:** Three days' notice, good faith, right,  
15 and order, always subject to change based on folks -- how long  
16 the cross goes, how long the direct goes.

17 **THE COURT:** I would like the record to reflect that it  
18 only took about nine days before the two of you would start  
19 arguing about all of this. Anyway --

20 **MR. KEKER:** I consider myself very restrained.

21 **THE COURT:** You have shown -- both sides have shown  
22 great restraint. Not only are you working hard, you are  
23 showing great restraint.

24 **MR. KEKER:** But the --

25 **THE COURT:** Anyway, Mr. Keker, I'm going to allow it

1 in, not because of anything other than the fact that I sit up  
2 here as the person who tries to get witnesses least  
3 inconvenienced. I think that is important, provided that the  
4 parties can prepare.

5 So if you were standing in front of me and saying, "Look,  
6 we didn't know this guy was coming" or "we didn't think he was  
7 coming this week," that might be a different story. I want you  
8 to be prepared, but I'm going to be flexible.

9 Anyway, this is now cutting into my valuable recess time.  
10 Thank you.

11 (Recess taken at 10:11 a.m.)

12 (Proceedings resumed at 10:25 a.m.)

13 (Proceedings were heard in the presence of the jury:)

14 **THE COURT:** Okay. Please be seated.

15 Let the record reflect all jurors are present, the parties  
16 are present.

17 You may proceed.

18 **MR. FRENTZEN:** Thank you, Your Honor.

19 **Q.** Ms. Snider, after Autonomy acquired Iron Mountain Digital,  
20 can you tell us whether or not things changed in terms of your  
21 business at Iron Mountain, now Autonomy?

22 **A.** My role functionally stayed the same. I was a sales  
23 executive in the eDiscovery software as a service business  
24 unit of now Autonomy responsible for sales business development  
25 in the Midwest.

1 Q. Okay. And did the culture change, to your observation,  
2 after Autonomy acquired Iron Mountain Digital?

3 A. It did, yes.

4 MR. DOOLEY: Objection. Vague. Culture.

5 THE COURT: Sustained.

6 MR. FRENTZEN: I'd like to get into that. Sorry,  
7 Your Honor.

8 Q. Did your day-to-day life at work change after Autonomy  
9 acquired Iron Mountain Digital?

10 MR. DOOLEY: Objection to relevance, Your Honor.

11 THE COURT: Overruled.

12 THE WITNESS: Yes.

13 BY MR. FRENTZEN:

14 Q. Can you tell us how?

15 A. It became much more stressful.

16 Q. In what way?

17 A. The culture was not transparent.

18 Q. What do you mean by that?

19 A. The reasons for doing things, the processes, and things of  
20 that nature, were opaque to me.

21 Q. Are you familiar with something called an SMS call?

22 A. Yes. I believe it stands for sales management system  
23 call.

24 Q. Was that new for you after Autonomy acquired Iron Mountain  
25 Digital?

1 A. The sales management call -- the SMS call, yes, was new.

2 Q. Can you describe those for us, please? First of all, what  
3 were they?

4 A. They were effectively pipeline calls. That is, you would  
5 have to review the deals in -- your top number of deals that  
6 were scheduled to close within a period of time.

7 Q. Can you tell us how those calls took place?

8 A. Yes. About a day before the call, you'd receive an e-mail  
9 that said, you know, "Be available in this window," it was  
10 usually a two- to three-hour window, "the next day." So "Be  
11 available from 7:00 to 9:00 a.m. tomorrow morning, and here's  
12 the dial-in number."

13 You would dial into a number, a web -- like a Skype or  
14 something like that, a WebEx-type of environment, and you'd sit  
15 in a virtual waiting room until your name was called. They  
16 would say, "Jane Snider, you're on deck. Bill Smith, you know,  
17 make-up person, you're up next."

18 And then they would let you into the room, to the virtual  
19 room, where there would be a number of people on the other side  
20 of the line that did not identify themselves asking questions  
21 about the deals you had.

22 Q. Can you describe the tone of the calls?

23 A. Aggressive, stressful. It was a very high-pressure, very  
24 high-stress environment where they would drill down and pick  
25 apart your deals. There were a lot of stories running around

1 at that time about the nature of those calls.

2 **MR. DOOLEY:** Objection, Your Honor. Speculation.  
3 Stories.

4 **THE COURT:** Sustained.

5 **BY MR. FRENTZEN:**

6 **Q.** Ms. Snider, after Autonomy acquired Iron Mountain Digital,  
7 did you know people who were laid off or fired?

8 **A.** Yes.

9 **Q.** And in terms of your dealing with these sales calls, was  
10 there something about that that intensified your stress during  
11 the sales calls?

12 **MR. DOOLEY:** Objection to leading, Your Honor.

13 **THE COURT:** Overruled.

14 **THE WITNESS:** Yes. Pardon me. Yes. Those calls were  
15 something I'd never seen or heard of before. Certainly  
16 pipeline calls are standard as a salesperson to be able to  
17 report on your deals, but they were conversations. They were  
18 about, you know, how you were looking to close, what resources  
19 you needed, what support you needed.

20 These calls, the SMS calls, were an interrogation of, you  
21 know, who you were speaking with, what you were doing, how you  
22 were going to be doing it, what the close plan was, and what --  
23 why wasn't it done yesterday.

24 **BY MR. FRENTZEN:**

25 **Q.** Did you feel comfortable pushing back in these SMS calls?

1 A. No.

2 Q. Why not?

3 A. Firstly, I didn't know who was on the calls.

4 Q. Can you --

5 A. It could have been 5 people or 15. I don't know.

6 Q. Can you describe that for us? I mean, in other words, was  
7 there an introduction at the beginning of the call as to who  
8 was on the call?

9 A. No.

10 Q. Are you aware of some of the people that were on the SMS  
11 calls that you were on?

12 A. Dave Wilner, who was my boss' boss, so my regional  
13 managers -- the SVP of sales, the senior vice president of  
14 sales, was on those calls, and he would guide some of the --  
15 ask some of the initial questions.

16 I became familiar with some of the other voices, but I  
17 never knew exactly who was on the calls.

18 Q. Did you come to recognize any of the voices from the SMS  
19 calls subsequently to realize who had -- who some of the people  
20 had been on those calls?

21 A. Over time, yes; but, recall, I was new to the organization  
22 and I had not met most of these persons -- most of these  
23 individuals in person.

24 Q. As you continued to meet people in person or hear them  
25 otherwise, did you figure out who some of the folks were on the

1 calls?

2 A. Yes.

3 Q. Who did you come to figure out were on these calls?

4 A. There was always someone from Sales Operations on the  
5 call, a woman. I don't know the name. I can't recall the  
6 name. Mike Sullivan, who was I believe the general manager at  
7 the time, was on the calls. I recognized his voice after I met  
8 him. I can't recall for sure.

9 Q. Anyone else that you can recall?

10 A. Not for sure.

11 Q. Did you, in hearing these voices, hear any accents?

12 A. Many.

13 Q. Can you describe some of the accents that you heard on  
14 these calls?

15 A. An East Coast accent certainly, several British accents.

16 Q. All right. After Autonomy acquired Iron Mountain Digital,  
17 was there any pressure applied to change, let's say, the nature  
18 of sales from software as a service?

19 A. Yes. We were told there are now a lot of new mechanisms  
20 to sell software as a service.

21 MR. DOOLEY: Objection to foundation. Who was telling  
22 the witness this?

23 THE COURT: Sustained.

24 BY MR. FRENTZEN:

25 Q. How did you get the information that you received about

1 changing sort of the sales methodology?

2 **A.** Through my immediate sales leadership, Dave Wilner.

3 **Q.** And what, if anything, did Mr. Wilner tell you about how  
4 sales were going to change in this new company?

5 **A.** We were now able to sell as a license and capture revenue  
6 upfront.

7 **Q.** What does that mean?

8 **A.** Well, as I previously said, we were a "software as a  
9 service" organization that billed on invoice, so took  
10 revenue -- recognized revenue on collection of the invoice.  
11 Now I had understood it that Autonomy was able to sell licenses  
12 of software, and I had understood that that just meant you look  
13 at whatever the quarterly or annual dollar figure would have  
14 been based on the statement of work, and they captured that  
15 revenue somehow; but I just understood it to just be a  
16 different terminology.

17 **Q.** All right. But was there -- in addition to terminology,  
18 were you asked by anyone to change, for example, the nature of  
19 the contract that you had -- or the MPSA with Abbott Labs?

20 **A.** Yes. We were asked -- told to -- that all contracts would  
21 need to be rewritten on Autonomy paper.

22 **MR. DOOLEY:** Your Honor, same objection. Who is  
23 asking these questions?

24 **BY MR. FRENTZEN:**

25 **Q.** Was this Mr. Wilner?



1           **THE COURT:** Go ahead. You're laying a foundation.

2           **THE WITNESS:** Was this Mr. Wilner who was --

3           **BY MR. FRENTZEN:**

4           **Q.** Who asked you or who told you that --

5           **A.** Mr. Wilner.

6           **Q.** Okay. Go ahead. What did he tell you about the way in  
7 which the nature of your contracts needed to change?

8           **A.** Just that they needed to be -- excuse me, pardon me -- on  
9 Autonomy paper at this time and that there were more available  
10 vehicles to sell contracting terms. So in sort of just  
11 software as a service, we would now be able to sell it as a  
12 license.

13          **Q.** Did Mr. Wilner say anything to you about -- was this just  
14 sort of a different option, or were you told to try to do  
15 things in a certain way?

16          **A.** It was an option and it was suggested that that was the  
17 favorable option.

18          **Q.** That what was the favorable option?

19          **A.** To sell as a license.

20          **Q.** Did you, after getting those directions, try to make that  
21 happen with Abbott Labs, for example?

22          **A.** There were a number of things going on at Abbott Labs at  
23 that time, so it became one of the options that we offered to  
24 them as we were renegotiating the MPSA; and there was a  
25 particular statement of work that was coming into question

1 about a particular piece of litigation that was coming up, so  
2 we were -- we were able to offer different pricing structures  
3 that they might consider.

4 **Q.** All right. And what was the litigation that was coming up  
5 for Abbott?

6 **A.** There was a large sales subpoena -- we call it -- we refer  
7 to it as a sales subpoena. It was about -- I can't even say  
8 what it was about, but they had put something like 800  
9 custodians on legal hold and all of their custodial data, which  
10 was something like 11- or 1200 custodians -- pardon me --  
11 custodial data that would be needed to review.

12 **Q.** What is that? When you say they put custodians on legal  
13 hold, what does that mean?

14 **A.** The simplest way to describe that is if I am a custodian,  
15 you are a custodian, each custodian has their own e-mail box  
16 and an amount of server size, data size, available to store on  
17 the system. That data expanded to 76 terabytes of data to be  
18 held and potentially reviewed in this sales subpoena, this DOJ  
19 subpoena that was coming up.

20 **Q.** Was Abbott Labs involved in some litigation as you  
21 understood it or an investigation?

22 **A.** There was an investigation by the Department of Justice  
23 into some of Abbott Labs' sales practices; therefore, we  
24 called -- we referred to this as the sales subpoena.

25 **Q.** Okay. And as a result of that, had Abbott Labs done

1 anything in terms of this legal hold for their employees?

2 **A.** They had put these -- somewhere between 800 and 1100  
3 custodians, the entire sales organization, on legal hold, which  
4 means they had to preserve their data and not delete any  
5 e-mails or delete any documents, or anything like that.

6 **Q.** And that legal hold, in what way did that relate to at  
7 this time Autonomy and what Autonomy might be doing for them?

8 **A.** So at that time we -- we Stratify/Autonomy -- was hosting  
9 approximately 25 to 35 terabytes of Abbott's data. This  
10 particular case was now contemplating an additional  
11 76 terabytes of data to be hosted on our service. So it was  
12 extremely large and it was a very big case.

13 **Q.** All right. And were you asked to try to restructure the  
14 relationship between Autonomy and Abbott Labs in terms of how  
15 you guys might offer to do that size job for them?

16 **MR. DOOLEY:** Same objection, Your Honor. Foundation.

17 **THE COURT:** Overruled.

18 Oh. Do you mean in terms of foundation?

19 **MR. DOOLEY:** Foundation. Who's asking?

20 **MR. FRENTZEN:** That's what I was going to get to after  
21 I asked the first question, which is did that happen.

22 **THE COURT:** Okay. Go ahead.

23 **MR. FRENTZEN:** Thanks.

24 **THE WITNESS:** Yes.

25 \\\

1 **BY MR. FRENTZEN:**

2 **Q.** And who talked to you about reframing the relationship  
3 with Abbott Labs?

4 **A.** When you say "reframing the relationship," could you say  
5 more about what you mean?

6 **Q.** I'm sorry. Who asked you to do what you just said you  
7 were asked to do?

8 **A.** Abbott asked us to put together, you know, what's this  
9 going to cost based on our current rates and the MPSA, so we  
10 put together -- you know, we ran the numbers basically on what  
11 that was going to cost.

12 In reviewing my pipeline with Dave Wilner, he said, "Okay.  
13 We can now put together all these other options. Let's put  
14 together some other options," and so sales management  
15 leadership was coming with different options to put together.

16 **Q.** And when you say "other options," what types of options  
17 are you talking about?

18 **A.** Well, if you recall the price list that was up on the  
19 screen earlier, options other than that. So not standard price  
20 list options, but licensed pay-upfront models, things of that  
21 nature, pay upfront for a discount, things like that.

22 **Q.** I'm going to show you what's been marked as Government's  
23 1842. Take a look at that, please, Ms. Snider, and see if you  
24 recognize what that is.

25 **MR. DOOLEY:** No objection to that, Your Honor.

1           **THE COURT:** 1842 admitted.

2           (Trial Exhibit 1842 received in evidence)

3           **MR. FRENTZEN:** Show 1842, please. And can you blow up  
4 the top part?

5           **Q.** Ms. Snider, do you see the date here on this document?

6           **A.** June 13th, 2011.

7           **Q.** This is from who?

8           **A.** From me to Jason Fliegel and Constance Mockaitis.

9           **Q.** Who are Jason Fliegel and Constance Mockaitis?

10          **A.** Jason was -- I don't remember his exact title but he was  
11 the lead attorney with Abbott Labs, and Connie was the records  
12 and information manager and lead paralegal.

13          **Q.** So in this document -- can we scroll up just a little  
14 bit? -- what were you proposing to Abbott Labs in terms of  
15 structuring this deal?

16          **A.** So as I said earlier, based on the 76 terabytes of data  
17 contemplated against the current pricing structure, it would  
18 have been something like \$25 million just to process and load  
19 and host the data without even having attorneys' eyes on it.

20               So we looked at for a discount of roughly \$10 million,  
21 \$15 million prepayment, we would do the following: The data  
22 handling, which is the unpacking, the filtering, all the things  
23 that are referenced here; the storage, the user IDs to review  
24 the documents, standard project management.

25          **Q.** All the work?

1 A. All the work. That we would do the services that would be  
2 required to host and manage this database. So it goes back to  
3 the "software as a service" notion.

4 Q. All right. And, again, this is an offer for them to pay  
5 upfront how much?

6 A. 15 million prepayment.

7 Q. And then at the bottom there's a note there. What's that  
8 a reference to?

9 A. This is suggesting that they could break that 15 million  
10 out over three quarters.

11 Q. So three \$5 million increments?

12 A. That's right.

13 Q. Did Abbott take this deal?

14 A. No. No.

15 Q. Was there an issue in terms of -- did you have an  
16 understanding in relation to this deal from Abbott that part of  
17 their -- part of their reason for not wanting to pay upfront  
18 was because they thought that the litigation or the  
19 investigation might go away?

20 A. Yes, certainly; but also just by matter of practice, their  
21 accounting requirements, they could not take -- they could not  
22 pay for any services not received. So they were required to  
23 pay an invoice on a monthly basis. So this structure was not  
24 in keeping with their accounting processes.

25 Q. Did you know that at the time that you were proposing

1 these type of pay a big dollar figure upfront?

2 **A.** Yes.

3 **Q.** So why were you going through this exercise with them  
4 anyway?

5 **A.** Because it was an unusual circumstance to receive a  
6 subpoena for 76 terabytes of data. That's highly unusual. And  
7 so they were looking at, you know, other potential options.

8 They were negotiating -- then, secondly, they were  
9 negotiating with the Government to potentially settle this case  
10 or narrow the custodial field, and so they wanted to be able to  
11 show this was extremely costly to do this this way, so let's  
12 focus on a subset.

13 **Q.** If they had -- for example, if they had settled with the  
14 Government, would they need to still do this work?

15 **A.** No. If they were able to settle, they wouldn't need to do  
16 any of this.

17 **Q.** I'd like to show you now what's been marked as  
18 Government's 1859.

19 Look at 1859, please, Ms. Snider.

20 **MR. DOOLEY:** No objection, Your Honor.

21 **THE COURT:** Admitted.

22 (Trial Exhibit 1859 received in evidence)

23 **MR. FRENTZEN:** Can we -- yeah. Great. Thanks.

24 **Q.** Ms. Snider, who is this from?

25 **A.** This is from Dave Wilner, David Wilner.

1 Q. And he was again who?

2 A. He was my SVP, senior vice president of sales. My boss'  
3 boss.

4 Q. What is the date on this?

5 A. June 20th, 2011.

6 Q. Who was this sent to?

7 A. Mike Sullivan, Neil Araujo, and Sushovan Hussain, and I  
8 was copied.

9 Q. Right. And what -- could you just -- if you can, can you  
10 summarize this for us? What was this communication about?

11 A. Dave had had a call with Jason Fliegel -- there's his  
12 title, Senior Counsel of Discovery and Records -- about this  
13 case in particular and potentially different ways to structure  
14 the pricing for it.

15 Q. This is an update on the Abbott Labs negotiation?

16 A. That's correct.

17 Q. Could we just go down to this paragraph down below?

18 And in I guess the third sentence here, maybe the second  
19 sentence, is there an indication here about closing this before  
20 the month's end?

21 A. Are you referring to the italics area?

22 Q. Yeah, and then right after that.

23 A. (Witness examines document.) Yes. Yes. Yes. This is  
24 referring to asking Jason for some type of commitment to make  
25 this deal happen.



1 Q. This is in -- this is on June 20, 2011. So is the end of  
2 that month the end of a quarter?

3 A. The fiscal year ended October 31st so, yes.

4 Q. Did you -- after Autonomy came in and bought out  
5 Iron Mountain, did you receive direction related to the end of  
6 quarters?

7 MR. DOOLEY: Same objection. Foundation.

8 THE COURT: Overruled.

9 THE WITNESS: Yes.

10 BY MR. FRENTZEN:

11 Q. From whom?

12 A. Sales management.

13 Q. Was this the same -- by the way, in all these  
14 instructions, were these the same sales managers that you had  
15 had when it was Iron Mountain Digital?

16 A. Yes. The unique piece on this particular project, this  
17 Abbott Labs DOJ subpoena, sales subpoena, was that I was  
18 interfacing or interacting with Dave Wilner directly, my senior  
19 vice president, and not my regional manager, Shaun Murphy.  
20 Dave had said he was going to take this one on.

21 Q. Okay. And in terms of this, you know, trying to get this  
22 done by the end of the quarter, did Mr. Wilner attribute that  
23 to anybody else above him?

24 MR. DOOLEY: Objection. Hearsay.

25 THE COURT: Well --

1           **MR. FRENTZEN:** Statement by an agent, Your Honor.

2           **THE COURT:** Overruled.

3           **THE WITNESS:** Could you repeat the question, please?

4   **BY MR. FRENTZEN:**

5   **Q.** Yeah. As Mr. Wilner was expressing to you the interest in  
6 getting this done by the end of the quarter, did he attribute  
7 that to anyone above him?

8   **A.** It was, I guess, sales -- the sales leadership was asking  
9 to -- you know, this was -- this was potentially a large  
10 deal -- to get it done.

11 **Q.** By when?

12 **A.** End of the quarter.

13 **Q.** Okay. And if we could, can we -- oh, I'm sorry.

14 I'm going to show you what's been marked as Government's  
15 18 -- I don't have 1861.

16           **MR. FRENTZEN:** One moment, Your Honor.

17                               (Pause in proceedings.)

18           **MR. FRENTZEN:** Is there any objection to 1861?

19           **MR. DOOLEY:** No, no objection.

20           **MR. FRENTZEN:** Okay. Put up 1861. Thank you.

21           **THE COURT:** 1861 has already been admitted.

22           **MR. FRENTZEN:** It was? Did I put it in?

23 Ah. Okay. Thanks.

24 All right. And if we could just blow up the top part  
25 that's already in evidence.

1 Q. I don't want to belabor the point but, Ms. Snider, can you  
2 tell us in the top here, who's this e-mail from?

3 A. From Mike Sullivan.

4 Q. To who?

5 A. Dave Wilner, Neil Araujo, and Sushovan Hussain. I'm  
6 copied again. I'm copied.

7 Q. All right. And what is the information here in the text,  
8 the very first, the top one?

9 A. (reading)

10 "I would like to be involved in any future calls.

11 Thanks."

12 Q. I'd now like to show you what's been marked as  
13 Government's 1863. If you would look at that.

14 MR. DOOLEY: No objection, Your Honor.

15 THE COURT: Admitted.

16 (Trial Exhibit 1863 received in evidence)

17 THE WITNESS: (Witness examines document.)

18 MR. FRENTZEN: All right. Can we blow up the top?  
19 Yeah, great.

20 Q. Ms. Snider, do you recognize what this is?

21 A. Yes.

22 Q. What is it?

23 A. This is an e-mail to me from -- well, it's addressed to me  
24 from Dave Wilner copying Mike Sullivan, but the e-mail body  
25 itself is clearly addressed to Mike Sullivan, and it refers to

1 four different options -- four pricing options at Abbott.

2 Q. All right. And was there an attachment to this e-mail?

3 A. (Witness examines document.) There is.

4 Q. Who put together -- and could we go to page 3?

5 Who put together this Abbott license proposal?

6 A. On the first page in the body of the e-mail it references

7 "Jane using the same template we used for JPMC put together a

8 5-terabyte and 10-terabyte option." So this is the template

9 that was used for JPMC. It was provided to me by Mike

10 Sullivan, and I updated the names and volumes and dates for the

11 specific Abbott terms.

12 Q. Okay. And can you just tell us what the goals were in the

13 top part of this?

14 A. (reading)

15 "Goals:

16 A. Simplify pricing scheme and contract amendment  
17 process.

18 B. Revenue certainty for Autonomy.

19 C. Cost certainty and discounts for Abbott."

20 Q. Can we go to page 6 of this document, please?

21 And, Ms. Snider, what is depicted here in this chart?

22 A. (Witness examines document.) This is the table that shows

23 the 5-terabyte and 10-terabyte options that Dave referenced

24 before -- or earlier in the body of his e-mail. 5 terabytes --

25 the first column is 5 terabytes clean, the second terabytes --

1 the second column is the terabytes, the number of terabyte with  
2 productions included.

3 Q. Can we go to the next page, please?

4 Did you hear in this proposed a total cost for license for  
5 each of those options?

6 A. They were referring to this as a license, but it was -- it  
7 was still, you know, the "software as a service" model. So the  
8 term "license" was just a term that they were using.

9 Q. All right. But did you --

10 A. Meaning, you know, they weren't going to be licensing the  
11 software to install it on their servers or anything like that.

12 Q. Okay. But along with calling it a license, did you then  
13 propose different total costs for Abbott?

14 A. Yes.

15 Q. So, again, this would be kind of this pay-upfront model  
16 and call it a license in your view?

17 A. Yes, pay upfront to receive a discount in the shape of a  
18 license.

19 Q. Were these options communicated to Abbott?

20 A. Not all of them but many of them.

21 Q. Let's go to 1868.

22 MR. FRENTZEN: Just one moment, Your Honor.

23 (Pause in proceedings.)

24 MR. FRENTZEN: I'm sorry. 1869. I apologize.

25 THE WITNESS: Thank you.

1 MR. DOOLEY: 1869?

2 MR. FRENTZEN: Yeah.

3 MR. DOOLEY: No objection.

4 THE COURT: Admitted.

5 (Trial Exhibit 1869 received in evidence)

6 BY MR. FRENTZEN:

7 Q. Ms. Snider, is this communication between yourself and  
8 Jason Fliegel at Abbott?

9 A. This is, yes.

10 Q. June 22nd, 2011?

11 A. Correct.

12 Q. And what was this e-mail about?

13 A. We picked a number. The 10 terabytes is really an  
14 arbitrary number of the 76 terabytes based on assumptions  
15 around the amount of data that could really potentially go, but  
16 it was low enough that we thought it was reasonable.

17 And when I say "go," I mean the number of custodians that  
18 were ultimately being negotiated and the number of documents  
19 and things that actually would be loaded for review -- loaded  
20 into the database for review.

21 Q. Can we go to page 6 of this proposal?

22 Did you have a proposed total cost of this license for  
23 Abbott?

24 A. (Witness examines document.) Yes. In the  
25 second-to-the-last total "Cost for License," 9,750,000.

1 Q. What was the projected savings for Abbott as a result of  
2 this proposed deal?

3 A. \$4,180,000.

4 Q. When you sent this, did you think Abbott was going to take  
5 it?

6 A. Not in a structure that they would pay upfront.

7 Q. Did they take it?

8 A. No.

9 Q. All right. I'd like to go now to Exhibit 1890.

10 Ms. Snider, I'm going to show you Government's 1890.

11 A. Thank you.

12 MR. DOOLEY: Your Honor, I have an objection to the  
13 first three pages of this exhibit are e-mails that Ms. Snider  
14 is not included on. I have no objection to Mr. Frentzen asking  
15 Ms. Snider about the portion of the document she's on and  
16 showing that part to the jury, but otherwise I don't think it's  
17 pertinent.

18 MR. FRENTZEN: I -- well, let me ask this:

19 Q. Ms. Snider, on June 29th of 2011, were you working at,  
20 effectively, Autonomy?

21 A. Yes.

22 Q. And if you could, could you focus on the fourth page of  
23 this document? Was this a -- was this portion of the e-mail a  
24 communication that you were involved in?

25 A. On page 4, halfway through?

1 Q. I'm sorry. 3 and 4.

2 A. (Witness examines document.)

3 Q. If you could take a look at the bottom of 3 and then onto  
4 page 4 and 5.

5 A. (Witness examines document.) I was, yes. Back and forth  
6 from me and others.

7 Q. In terms of -- could you focus for just a minute on the  
8 first page without getting into the substance of any of it?

9 Were these individuals that you recognize as employed at  
10 Autonomy at the same time, June 29th of 2011?

11 A. I do now, yes.

12 Q. And was this string of e-mails in connection with the  
13 potential Abbott deal that we've been talking about here today?

14 A. Yes, absolutely.

15 MR. FRENTZEN: Your Honor, I'll --

16 THE COURT: Admitted.

17 MR. FRENTZEN: Thank you.

18 THE COURT: The document is admitted.

19 (Trial Exhibit 1890 received in evidence)

20 BY MR. FRENTZEN:

21 Q. Could we just start with page 4, please?

22 A. Yes, sir.

23 Q. And this is on June 23, 2011. Can you tell us what this  
24 communication is about?

25 A. Dave Wilner is asking me to pull together the current



1 Master Service Agreement and a summary of the current offer  
2 forwarding -- and introducing me to Joel Scott. He says  
3 (reading):

4 "Joel is an attorney" -- or "Joel is a counsel at  
5 Autonomy. He's going to start pulling paperwork together  
6 so we're prepared for the likely last-minute rush to get  
7 the deal papered."

8 Q. Okay. And is this in connection with the proposal that we  
9 just saw a moment ago about the proposed \$9 million deal?

10 A. Yes.

11 Q. And can we go to page 2 of this document?

12 All right. And, Ms. Snider, do you see up here -- I'm  
13 sorry, go back -- right, okay -- that on June 27th, 2011, Poppy  
14 Prentis from Autonomy talked about the payment terms here?

15 A. Yes.

16 Q. And could you just tell us what she said here after she  
17 says "Okay"?

18 A. (reading)

19 "Okay. We need Sushovan's okay on the payment  
20 terms."

21 Q. Can we go to page 1? And the next one down.

22 All right. Okay. And here, and we'll get into this in a  
23 second, but June 29, 2011, Ms. Snider, do you have a  
24 recollection of the deal basically being reduced from 9 million  
25 to proposing a smaller amount upfront?

1 A. Yes.

2 Q. All right. And then do you see a question here, "How  
3 aggressive can we be on payment terms?"

4 A. Yes. It says (reading):

5 "Customer wanted to continue to pay as you go, but I  
6 know that doesn't work."

7 Q. Can we then see just the last -- the very top part?

8 And can you tell us what Mr. Chamberlain, VP Finance of  
9 Autonomy, said about that?

10 A. (reading)

11 "They are creditworthy so aggressive as SH is willing  
12 to approve."

13 Q. I'd like to turn now to 1891. Take a look at that,  
14 please, Ms. Snider.

15 A. Thank you.

16 MR. DOOLEY: Same objection, Your Honor. There's  
17 portions that Ms. Snider is not copied on.

18 THE COURT: Well, is there any question that this is a  
19 document of Autonomy's? Is that an issue here? Is it  
20 authenticity? Is it relevance? What's the objection?

21 You don't have to have the individual -- you don't have to  
22 have the individual who authored the document to be asked  
23 questions about the document.

24 MR. DOOLEY: No authenticity question, Your Honor.  
25 It's a relevance and it's a foundation. No basis to testify

1 about what other people are writing in communications that  
2 she's not copied on.

3 **THE COURT:** I don't know that that's correct. I mean,  
4 you can show a person a document from the defendant -- from a  
5 company, assuming that there aren't authenticity objections,  
6 even if she's not authored it and say, "What do you understand  
7 this to be?" You can ask those questions.

8 **MR. FRENTZEN:** And so that it's clear, Your Honor, I'm  
9 offering this as a statement of agent and 801(d)(2)(E).

10 **THE COURT:** Okay. Objection overruled.

11 **MR. DOOLEY:** Thank you.

12 **THE COURT:** And what document is that? 18 what?

13 **MR. FRENTZEN:** '91, Your Honor.

14 **THE COURT:** 1881 --

15 **MR. FRENTZEN:** '91. Sorry, Your Honor.

16 **THE COURT:** 1891 admitted.

17 (Trial Exhibit 1891 received in evidence)

18 **MR. FRENTZEN:** Thank you, Your Honor.

19 All right. Can we go to the bottom of this, please?

20 **Q.** And, Ms. Snider, what is this e-mail on June 29th, 2011,  
21 about?

22 **A.** It says subject line "Abbott Laboratories - Amendment  
23 Four-Track - JES Edits." Track would be the track changes.  
24 JES is me, Jane Elizabeth Snider. These are my edits to the  
25 document (reading):

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1 "Please turn this around ASAP. We're approved by  
2 Wilner and Sullivan."

3 Q. Can we go to page 3 of the document?

4 Was there an attachment to this?

5 A. Yes. It says the "Fourth Amendment to the Master  
6 Professional Services Agreement."

7 Q. All right. And if we can go to page 4, please, and go  
8 down to "Compensation." Great.

9 Can you see under "Compensation" in this full paragraph  
10 here, does there seem to be -- this is a redlined version,  
11 Ms. Snider?

12 A. I'm sorry. It took me a moment to get where you were.

13 Q. Yeah.

14 A. Yes. This is the track changes, the redlined version of  
15 this document, that's correct.

16 Q. Okay. So this is downgrading the payment upfront from  
17 9,750,000 to how much?

18 A. (Witness examines document.) Oh, I see.

19 Q. Under "Compensation," do you see the --

20 A. 2,400,000.

21 Q. And could we just now go back to page 1 and the top part  
22 of page 1?

23 All right. Ms. Snider, does this appear to be a  
24 communication about your sort of latest amended proposal?

25 A. It is. I believe that to be true, yes.

1 Q. Okay. I'd like to go now to -- and, Ms. Snider, to your  
2 recollection, after the payment upfront was reduced from  
3 9 million-plus to 2,400,000, did Abbott Labs take that deal?

4 A. No.

5 Q. Why not?

6 A. They were not in a position to pay upfront for services  
7 not received.

8 Q. Same reason we talked about before?

9 A. Correct.

10 Q. Can we have 1915? I don't have a hard copy.

11 MR. FRENTZEN: Is there an objection to 1915?

12 MR. DOOLEY: No.

13 MR. FRENTZEN: So is it maybe already in? I don't  
14 know.

15 MR. DOOLEY: I don't know if it's in, but there's no  
16 objection.

17 MR. FRENTZEN: Okay. Can we just pull it up, then,  
18 because I'm --

19 THE COURT: 1950?

20 MR. FRENTZEN: '15, one nine one five.

21 THE COURT: 1915 admitted.

22 (Trial Exhibit 1915 received in evidence)

23 MR. FRENTZEN: Thank you.

24 Can we go to the bottom first, please?

25 I'm sorry. Yeah. Okay. No, that's great. That's great.

1           Actually, if you can scroll down and get both on the same  
2     page, that would be... Good. Yeah. That's good.

3     **Q.**    Okay. Who is this from, Ms. Snider?

4     **A.**    Rick Winkler, Richard Winkler.

5     **Q.**    Who is he?

6     **A.**    He is one of the contracts attorneys from Autonomy. He  
7     came over from Iron Mountain.

8     **Q.**    And what's the date?

9     **A.**    June 30th, Thursday, 2011.

10    **Q.**    What was the question in the subject line to you from  
11    Mr. Winkler?

12    **A.**    (reading)

13           "Abbott Labs - Any updates? Thanks."

14    **Q.**    Can we scroll up to the response?

15           What was your response to Mr. Winkler?

16    **A.**    (reading)

17           "Client pulled the plug. They are not comfortable  
18           making any commit at this time. I'm very disappointed.  
19           Thank you for your help. I really, really appreciate it."  
20           We worked some long hours getting this done.

21    **Q.**    All right. And it didn't happen?

22    **A.**    It did not happen.

23    **Q.**    I want to ask you about the end of that quarter around  
24    June 30, 2011. Within a couple days around there, did anyone  
25    ever come to you and tell you that an outfit called

1 Discover Tech was going to act as a reseller to sell software  
2 to Abbott Labs?

3 A. No.

4 Q. To your knowledge, did Discover Tech come into the picture  
5 and sell software to Abbott Labs on behalf of Autonomy?

6 A. No.

7 Q. Did you have any idea what Discover Tech was around this  
8 time at the end of the quarter?

9 A. No. I'd never heard of them.

10 Q. If a reseller was going to come in and make the sale of  
11 software to Abbott Labs for Autonomy as a reseller, would you  
12 expect to be told about that?

13 A. I would have been intimately involved in any conversation  
14 like that.

15 Q. And, again, at this point in time in June of 2011, how  
16 long had Abbott Labs been your client or customer?

17 A. Since I joined Stratify in early 2007.

18 Q. Safe to say, of the people at either Stratify,  
19 Iron Mountain, or Autonomy, you had the closest relationship  
20 with the folks at Abbott that got the eDiscovery work done?

21 A. Absolutely.

22 Q. I want to show you now what's been marked as  
23 Government's 1976. Look, please, at 1976.

24 A. Thank you.

25 Q. Do you recognize what that is?

1 A. (Witness examines document.)

2 MR. DOOLEY: No objection, Your Honor.

3 THE COURT: Admitted.

4 (Trial Exhibit 1976 received in evidence)

5 MR. FRENTZEN: Thank you, Your Honor.

6 Could we just blow up the top part of it?

7 Q. Ms. Snider, my question for you is basically just in July,  
8 so after -- a week after the quarter is closed, were you still  
9 negotiating with Abbott Lab to renegotiate the MPSA?

10 A. Yes. This goes back to the very original document, the  
11 very first document you showed me today, the communication  
12 between Terry Martorana and myself around starting the process  
13 to renegotiate the Master Professional Services Agreement that  
14 would have come up for renewal at the end of the calendar year.

15 This is referring to a privacy and security vendor  
16 assessment that was done on any vendors that we would have had  
17 to go through. For hosting the data on our servers, they  
18 wanted to make sure that we passed all of their risk and  
19 security requirements.

20 Q. I'm going to show you now what's been marked as 2043.

21 Do you recognize Government's 2043, Ms. Snider?

22 MR. DOOLEY: No objection.

23 THE COURT: Admitted.

24 (Trial Exhibit 2043 received in evidence)

25 \\\



1 BY MR. FRENTZEN:

2 Q. Can you tell us what this is, Ms. Snider?

3 A. Sure. This is -- as I described in the beginning, there's  
4 a Master Professional Services Agreement that sort of governs  
5 the terms of the relationship and the work that's done, and  
6 then each case or database has its own statement of work.

7 There was a separate piece of -- there was a separate  
8 database referred to as the Humira database. ABL900 you'll see  
9 in the fourth line of the top paragraph. This was referred to  
10 as the ABL900 database. This is a separate database that we --  
11 it was a patent protection suit, an IP suit, and the patent was  
12 said to expire I believe in 2017.

13 We knew we were going to be able -- we knew we were going  
14 to be hosting quite a bit of data and there was a lot of  
15 fluctuation in their spend depending on how many documents were  
16 produced in a given month, and so we offered them a fixed rate  
17 to pay monthly of \$25,000.

18 Q. Okay. Can we just go to the second page, please?

19 All right. And at the bottom here, is that the fee in  
20 connection with this amendment?

21 A. Yes. So I can't recall what their actual monthly fee had  
22 been prior to this, but there was a fluctuation, whether it was  
23 25 or 35,000 a month. So we just locked them -- we offered  
24 them a locked rate for 25,000 a month for, I believe, two  
25 years, that they would pay -- they would pay monthly, a monthly

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1 fixed fee.

2 Q. All right. And do you see a total of that there?

3 A. 600,000.

4 Q. All right. So that was the eventual negotiated license  
5 fee with Abbott?

6 A. This was what was referred to as a license agreement but  
7 had nothing to do with the 76 terabyte case that we've been  
8 talking about. This was a different drug. This is their  
9 Humira drug, not their Depakote drug.

10 Q. Got it.

11 And in terms of -- how long did Abbott remain your client?

12 A. Until I left Autonomy.

13 Q. When was that?

14 A. June of 2015.

15 Q. And so other than this licensing deal, did Abbott  
16 basically continue to be on an a la carte, pay-as-you-go kind  
17 of relationship with Autonomy?

18 A. Entirely, yes.

19 Q. I'm sorry?

20 A. Entirely, yes.

21 Q. All right. And in terms of you trying to sell what you  
22 were trying to sell to Abbott, how do you make your money?

23 A. At the time?

24 Q. Right.

25 A. I had a base salary plus commissions.

1 Q. To your knowledge, was anyone else -- I mean, other than  
2 in the line of folks we've talked about, was anyone else trying  
3 to sell Autonomy products or Autonomy software as a service to  
4 Abbott other than you?

5 A. May I ask a clarifying question?

6 Q. Sure.

7 A. Are you referring to other sales executives trying to  
8 sell eDiscovery services to Abbott other than me?

9 Q. Right.

10 A. No. I was the account manager, the client manager, on  
11 that account and no one else was involved selling services to  
12 them.

13 Q. I want to show you now Government's 2324. Do you  
14 recognize 2324?

15 A. (Witness examines document.)

16 MR. DOOLEY: No objection, Your Honor.

17 THE COURT: Admitted.

18 (Trial Exhibit 2324 received in evidence)

19 THE WITNESS: I do.

20 BY MR. FRENTZEN:

21 Q. All right. Is this a string of e-mails that you were  
22 involved in?

23 A. It is a string of e-mails.

24 Q. All right. Can we go to the last -- page 3, please, on  
25 the bottom?

1 Okay. Yeah. Great.

2 All right. Can you tell us -- this is August 21st of --  
3 2011 -- what was Mr. Wilner asking about?

4 **A.** (reading)

5 "Can you guys send the name, address, account number  
6 for the third-party billing company we'll be using for our  
7 work at Abbott?

8 "Livius/Joel, Jane will give our primary contact in  
9 Legal at Abbott a call on Monday and ask if he needs any  
10 paperwork from us or if he can simply call the billing  
11 company and instruct them to pay."

12 **Q.** What was your understanding about this communication and  
13 why there would need to be a third-party billing company?

14 **A.** Well, two things. One, Abbott had recently started to use  
15 a new invoicing or accounts payable system, an online system.  
16 They refer to it as Corgard; but, secondly, the fixed fee rate  
17 that we had set on ABL900 of \$25,000 a month, I thought that it  
18 was just being invoiced through that online billing system.

19 **Q.** Okay. So to your understanding and your contractual  
20 relationship with -- I should say between at that time Autonomy  
21 and Abbott, other than sort of a change in the billing system,  
22 did you have any understanding that there was any third party  
23 involved in negotiating that contract?

24 **A.** There was no other third party involved in negotiating a  
25 contract.

## SNIDER - DIRECT / FRENTZEN

1 Q. I'd like to -- could we just go to the bottom of page 1  
2 and the beginning of page 2, if that works?

3 A. (Witness examines document.)

4 Q. Okay. Do you know who Livius -- I'm sorry, this name I  
5 would otherwise butcher?

6 A. Livius Guaio. He was Rick Winkler's boss in Legal so he  
7 was one of the counsels that Rick, as a contracts attorney,  
8 reported to.

9 Q. And what was he communicating to you here on August 22nd?

10 A. (reading)

11 "I haven't forgotten about the third-party info. I'm  
12 just waiting for the correct individual contact. I should  
13 have it shortly."

14 Q. Then let's scroll up to the top e-mail here.

15 Is this the same individual sending you another e-mail?

16 A. (Witness examines document.) Yes. Livius is now sending  
17 me the name of the party. It says (reading):

18 "The party who will be invoicing Abbott (and whom  
19 Abbott should pay, until we otherwise notify them) is as  
20 follows:

21 "Discover Technologies."

22 And then the attention and address.

23 Q. Okay. And who was the individual in the attention there?

24 A. Dave -- David Truitt.

25 Q. And, again, to your knowledge, had Dave Truitt or

1 Discover Tech made any kind of sale to Abbott at all in -- I'm  
2 sorry -- in connection with the relationship between Autonomy  
3 and Abbott?

4 **A.** No. They were not involved at all in any way, and to my  
5 knowledge they were not one of the even parties that Abbott  
6 worked with.

7 **Q.** Did anyone ever congratulate you for making, let's say, a  
8 large, upfront license deal with Abbott Labs?

9 **A.** I don't recall. I mean, a \$600,000 license deal for  
10 software as a service in eDiscovery would have been large,  
11 so...

12 **Q.** Okay. Were you ever congratulated for the type of deal we  
13 just saw there that you had proposed for 9 million?

14 **A.** Not to my knowledge. I don't remember, no.

15 **Q.** Did anyone ever congratulate you for making that size of a  
16 deal to Discover Tech?

17 **A.** No.

18 **Q.** And, again, when you saw Discover Tech here, this  
19 information about the party who will be invoicing, what did you  
20 think that was?

21 **A.** I thought they were an invoicing system, some sort of  
22 third-party billing software.

23 **Q.** After Hewlett Packard acquired Autonomy, did you continue,  
24 then, to work for effectively Hewlett Packard?

25 **A.** I did.

1 Q. And was there yet another sort of culture change there, or  
2 did things stay the same as they had been under Autonomy?

3 MR. DOOLEY: Objection for relevance, Your Honor.

4 THE COURT: Sustained.

5 BY MR. FRENTZEN:

6 Q. Did the SMS calls continue after Hewlett Packard acquired  
7 Autonomy, Ms. Snider?

8 A. They did not.

9 MR. DOOLEY: Same objection, Your Honor.

10 THE COURT: Well, I'll allow that.

11 BY MR. FRENTZEN:

12 Q. Sorry?

13 A. They did not.

14 MR. FRENTZEN: Can I have one moment, Your Honor?

15 (Pause in proceedings.)

16 MR. FRENTZEN: That's all I have. Thank you very  
17 much, Ms. Snider.

18 THE COURT: Cross?

19 Ladies and gentlemen, if you want to stand up and just  
20 stretch for a minute?

21 (Pause in proceedings.)

22 THE COURT: Yes. You may proceed. Go ahead.

23 CROSS-EXAMINATION

24 BY MR. DOOLEY:

25 Q. Good morning, Ms. Snider.

1 A. Good morning.

2 Q. Let me introduce myself. My name is Brook Dooley, and I  
3 represent Sushovan Hussain.

4 You and I have never met before today, have we?

5 A. No.

6 Q. No.

7 Ms. Snider, I want to start with some of the testimony you  
8 gave about the change when you arrived at Autonomy.

9 You talked about -- you gave some testimony about closing  
10 deals by the end of the quarter, by June 30th. Do you recall  
11 that testimony?

12 A. Yes.

13 Q. There's nothing wrong or improper, in your experience as a  
14 sales executive, about a company encouraging salespeople to  
15 close deals by the end of the quarter, is there?

16 A. No.

17 Q. That's not unusual? A lot of companies do that, encourage  
18 their sales executives to close deals by the end of the  
19 quarter?

20 A. Public companies do, yes.

21 Q. And Iron Mountain was a public company when you were  
22 there?

23 A. Yes.

24 Q. Autonomy was a public company obviously? Yes?

25 A. Yes.



1 Q. And companies will sometimes offer discounts to their  
2 customers to close deals at the tend of the quarter? That  
3 happens, doesn't it?

4 A. Yes.

5 Q. Companies will sometimes come up with new structures for  
6 deals in order to close them by the end of the quarter; isn't  
7 that right?

8 A. Yes.

9 Q. Nothing wrong with any of that?

10 A. No.

11 Q. You testified about these -- the sales management -- the  
12 SMS calls. Do you remember that testimony?

13 A. I do.

14 Q. And I think you referred to them as pipeline calls?

15 A. They were similar to a pipeline call.

16 Q. Similar to a pipeline call. And what is a pipeline call?

17 A. They take various forms, but typically it's a conversation  
18 between your manager, your direct manager, your line manager,  
19 and you about the deals that you have in the pipeline that are  
20 scheduled to close over the next, you know, coming weeks,  
21 months, quarters, whatever. It's about resource allocation,  
22 bringing the right supports, getting those deals done.

23 Q. And there's nothing wrong or improper about a company  
24 checking on a sales executive's deals in the pipeline, is  
25 there?

1 A. No.

2 Q. And as you've testified, these pipeline calls, checking on  
3 deals in the pipeline, that's fairly standard in your  
4 experience as a salesperson?

5 A. Yes.

6 Q. And I think you testified that -- well, when you were at  
7 Iron Mountain, your direct supervisor was Mr. Murphy,  
8 Shaun Murphy; is that right?

9 A. Yes.

10 Q. And then he reported up and you also reported up to  
11 Mr. Wilner at Iron Mountain?

12 A. Yes.

13 Q. And they both came over to Autonomy? Those were  
14 Iron Mountain folks who came over to Autonomy?

15 A. Yes. Mr. Wilner actually joined Stratify.

16 Q. Okay. So he was with you at Stratify, made the move to  
17 Iron Mountain, and then made the move to Autonomy?

18 A. Correct.

19 Q. And they were here in the United States, not in England?

20 A. Correct.

21 Q. And was Mr. Murphy on the SMS calls?

22 A. I don't --

23 Q. If you remember.

24 A. I don't recall. I don't believe so.

25 Q. But Mr. Wilner was? That was your testimony earlier?

## SNIDER - CROSS / DOOLEY

1 A. Yes, Mr. Wilner was. I don't believe Mr. Murphy was.

2 Q. And Mr. Wilner was one of the people who was asking you  
3 questions on these SMS calls; correct?

4 A. Yes.

5 Q. I think you testified to experiencing some pressure or a  
6 different environment when you were at Autonomy. None of  
7 that -- none of what you experienced came directly from  
8 Mr. Hussain, did it?

9 A. No.

10 Q. In fact, during your time at Autonomy and then at HP, you  
11 never spoke with Mr. Hussain, did you?

12 A. No.

13 Q. And you've never in your life spoken to Mr. Hussain?

14 A. I don't believe so.

15 Q. Ms. Snider, let's talk about Abbott Labs. They were a  
16 long-time customer of yours when you were a sales executive;  
17 correct?

18 A. That's true.

19 Q. So you're pretty familiar with their business?

20 A. I was very familiar with their business, yes.

21 Q. Very familiar.

22 And Abbott was and remains one of the largest  
23 pharmaceutical and medical device companies in the world. Fair  
24 to say?

25 A. Yes.

1 Q. They make some of the top-selling name-brand prescription  
2 drugs and other medical devices and products?

3 A. Correct.

4 Q. You identified some of them. Humira and then Depakote?

5 A. Uh-huh.

6 Q. And Similac, that's like baby formula and such?

7 A. Uh-huh.

8 Q. And as a drug company, as a pharmaceutical company, Abbott  
9 was involved in a lot of lawsuits investigation litigation;  
10 correct?

11 A. And protective actions against their -- to protect their  
12 patents.

13 Q. And some of that was intellectual property litigation; is  
14 that what you were saying?

15 A. Yes.

16 Q. And as a result of these lawsuits and investigations, they  
17 were required to collect huge amounts of electronic data; is  
18 that fair to say?

19 A. Yes.

20 Q. And when I'm talking about electronic data, I think the  
21 jury is beginning to understand that, but we're talking about  
22 e-mails, Word documents, sales databases, just all the stuff  
23 that lives on computers these days; right?

24 A. That's correct.

25 Q. And so let's look at -- if we could put up -- if you could

1 look in your -- you've got -- you should have a black binder  
2 there, a spiral binder there.

3 Yep. If you could look at what's been tabbed as  
4 Exhibit 5849. It should be the last tab.

5 **A.** (Witness examines document.)

6 **Q.** It will also be on your screen.

7 **A.** Yes, sir.

8 **Q.** The print is a little small, but do you recognize  
9 Exhibit 5849 as a June 30th, 2011, e-mail between you, your  
10 boss Dave Wilner, and his boss Mike Sullivan, with the subject  
11 "Abbott Metrics"?

12 **A.** (Witness examines document.) Give me a moment.

13 **Q.** Sure.

14 **THE COURT:** Is this in evidence?

15 **MR. DOOLEY:** It is not, Your Honor.

16 **THE COURT:** Okay. Well, admitted. 50 -- sorry, what  
17 number is it?

18 **MR. DOOLEY:** 5849.

19 **THE COURT:** 5849.

20 (Trial Exhibit 5849 received in evidence)

21 **BY MR. DOOLEY:**

22 **Q.** Ms. Snider, do you recognize that as an e-mail exchange  
23 between you, Mr. Wilner, and Mr. Sullivan?

24 **A.** (Witness examines document.)

25 **THE COURT:** Is it better to put it up? Is it up? Oh,

1 it is up.

2 You can see it on the -- Ms. Snider, you can see it on the  
3 screen, perhaps, better.

4 **THE WITNESS:** I'm just reading through it.

5 **THE COURT:** Okay.

6 **THE WITNESS:** And I'm thinking I need bifocals.

7 **THE COURT:** I think you need something to look at  
8 this.

9 **MR. DOOLEY:** Can we blow that up, Jeff, any more?

10 **Q.** This is not an eyesight test, that's for sure.

11 **A.** Thank you.

12 (Witness examines document.) It's coming to my  
13 recollection, but this is from 2011 and I've not seen it since,  
14 so...

15 **Q.** Sure. Let me direct your attention to the e-mail on the  
16 bottom of the first page from you to Mr. Sullivan, and do you  
17 see that you write (reading):

18 "As discussed below, you'll find two slides detailing  
19 Abbott total cases to date, not including the Depakote  
20 sales subpoena and two quarterly billing metrics for Q1  
21 2011"?

22 Do you see that?

23 **A.** I do. I do.

24 **Q.** And if you look, then -- if you flip the page, there is a  
25 table on the second page.

1 If we could blow that up, Jeff.

2 And does that table reflect a summary of Iron Mountain or  
3 Autonomy's -- it was Autonomy at this point -- Autonomy's  
4 billings to Abbott in Q1 of 2011?

5 **A.** (Witness examines document.) That is what it appears to  
6 be.

7 **Q.** And this table in Exhibit 5849 shows that in Q1 2011, not  
8 including this big 76-terabyte subpoena that we talked about,  
9 and we'll talk about more, Iron Mountain was working on 14  
10 separate lawsuits or investigations for Abbott? Those are the  
11 matters?

12 **A.** (Witness examines document.) Yeah, that sounds right.  
13 ABL900 and ABL005R were two separate -- they were integrated  
14 databases, so you could argue it was 14 or 15 but, yes.

15 **Q.** Okay. So 14 or 15 cases that you were working on for  
16 Abbott in Q1 2011?

17 **A.** That's what it looks like. That's what this looks like at  
18 the time, yeah.

19 **Q.** And the table shows in the bottom right-hand corner that  
20 Abbott was charged over \$1.3 million for eDiscovery work on  
21 those cases just in the first quarter of 2011; is that right?

22 **A.** Yes.

23 **Q.** And then if you can flip back to the first page where we  
24 were reading before, the e-mail on the bottom, it reads  
25 (reading):

1 "Finally, directly below are the estimated billings  
2 for June."

3 Do you see that? Again, apologies for the tiny print.

4 **A.** I do, yeah.

5 **Q.** And there's a series of case numbers with dollar figures  
6 next to them. Do you see that?

7 **A.** Yes.

8 **Q.** And what that shows there, it shows June estimated total  
9 of just over \$800,000; correct?

10 **A.** Correct.

11 **Q.** And what that reflects is that in June, Abbott -- just for  
12 June, Abbott was going to be billed over \$800,000 for  
13 electronic discovery work on the different matters?

14 **A.** For the work that had been done in the month ending  
15 June 30th, that would have been the amount of billings for  
16 processing, loading, hosting, and production of data.

17 **Q.** And even one case could generate millions of dollars of  
18 eDiscovery work; right?

19 **A.** Over the lifetime of a case, yes.

20 **Q.** Sure. So we talked about -- or you talked about on your  
21 direct the Depakote investigation, the Department of Justice in  
22 2011 was investigating Abbott in connection with its sales of  
23 the drug Depakote?

24 **A.** Yes.

25 **Q.** And just one document request from the Government in that



1 case called for Abbott to collect, I think, 850 employees'  
2 e-mails and 1200 computer hard drives. Does that sound about  
3 right?

4 **A.** It does.

5 **Q.** And Abbott estimated that between loading, filtering,  
6 processing that data, that could cost them between 20 and  
7 \$25 million. That's what they were estimating at the time;  
8 right?

9 **A.** Yes.

10 **Q.** And that's just one document request in one case?

11 **A.** Yes. Highly unusual.

12 **Q.** And in your work as a sales executive selling eDiscovery  
13 services, Abbott was a pretty good client to have, wasn't it,  
14 with all this work?

15 **A.** I had some very deep relationships at that client, and we  
16 did a lot of good work together over time.

17 **Q.** And if one were selling eDiscovery software services,  
18 products, you'd agree that Abbott would be a pretty good  
19 prospect, wouldn't you?

20 **A.** Part of my job -- yes. Part of my job was to identify the  
21 top prospects in my territory and have a working -- building a  
22 working relationship with them. Certainly a pharmaceutical  
23 company is someone you would prioritize.

24 **Q.** In June of 2011, you testified that Autonomy and Abbott  
25 were operating under a master contract, the MPSA; is that

1 right?

2 A. That's correct.

3 Q. And Abbott was paying for its electronic discovery on a  
4 pay-as-you-go basis. I think that was your testimony?

5 A. That's correct.

6 Q. But in June, the time period we're talking about, Abbott  
7 was looking for ways to reduce the amount that it had to spend  
8 on eDiscovery; right?

9 A. They were looking for ways. We were also looking to offer  
10 them ways because of just market competition.

11 Q. So fair to say that Abbott was looking for ways to perhaps  
12 restructure their arrangement to reduce their costs, and you  
13 were looking -- you at Autonomy were looking at alternative  
14 ways to structure the relationship in June 2011; is that fair?

15 A. Because of the renegotiation of the Master Service  
16 Agreement that was coming due, we were looking at all options.

17 Q. One option that you were looking at was that Abbott would  
18 still pay monthly but would commit to send a certain volume of  
19 work to Autonomy, and then they'd get a reduced rate in  
20 exchange for that commitment; right?

21 A. Yes. So a low -- a low threshold.

22 Q. You were also discussing proposals where Abbott would just  
23 agree to pay upfront in exchange for reduced rates. I think we  
24 looked at one of those proposals -- or you looked at one of  
25 those proposals on your direct.

1 **A.** Yes. That was related to the -- the Depakote sales  
2 subpoena.

3 **Q.** And you and others at Autonomy were also discussing  
4 proposals where Abbott would pay upfront for a license to  
5 Autonomy's software. Those were discussions that were  
6 happening in June 2011?

7 **MR. FRENTZEN:** Objection. Vague as to who.

8 **THE COURT:** What is the objection?

9 **MR. FRENTZEN:** Vague as to who, the individuals.

10 **THE COURT:** Well, let's see if she's had those  
11 discussions, and then you can --

12 **MR. FRENTZEN:** Thank you, Your Honor.

13 **THE COURT:** -- inquire into who she had them with.

14 **THE WITNESS:** Would you repeat the question?

15 **BY MR. DOOLEY:**

16 **Q.** Sure. You and others at Autonomy were discussing  
17 proposals whereby Abbott would pay an upfront -- upfront for a  
18 license to Autonomy's software; right?

19 **A.** Pay upfront, yes, but not for a license.

20 **Q.** No one was discussing a license in --

21 **A.** They were using the term "license," but it wasn't license  
22 in the standard industry speak that they would license a  
23 software and put it on their servers. That was never  
24 contemplated.

25 **Q.** Well, we'll look at that.

1 Jeff, would you put up Exhibit 1832?

2 I don't have a hard copy of this one, but it will appear  
3 on your...

4 **A.** Thank you.

5 **Q.** Do you have Exhibit 1832 in front of you on the monitor?

6 **A.** No, I don't.

7 **THE CLERK:** It's not admitted.

8 **THE COURT:** 1832, any objection?

9 **MR. FRENTZEN:** I'm sorry, Your Honor. Hang on a  
10 second. I'm assuming this is one of mine.

11 **MR. DOOLEY:** It is. That's why I don't have the hard  
12 copy.

13 **MR. FRENTZEN:** Sorry. No objection.

14 **THE COURT:** Admitted.

15 (Trial Exhibit 1832 received in evidence)

16 **BY MR. DOOLEY:**

17 **Q.** Ms. Snider, do you recognize Exhibit 1832 as an e-mail  
18 exchange between you and Mr. Wilner and others on June 10th,  
19 2011?

20 **A.** (Witness examines document.) I recognize this, yeah.

21 **Q.** If you could direct your attention to the second page of  
22 the exhibit. At the bottom there's an e-mail from you to  
23 Mr. Wilner, copy to Mr. Murphy. Do you see that?

24 **A.** (Witness examines document.)

25 **Q.** Do you see that e-mail, Ms. Snider?

1 A. I do. I do. I'm reading it now.

2 Q. And you're writing to Mr. Wilner about the Department of  
3 Justice subpoena that we've been talking about regarding the  
4 drug Depakote; correct?

5 A. That's correct.

6 Q. And you're describing the amount of electronic data that  
7 Abbott was going to have to collect; correct?

8 A. That's correct.

9 Q. And Abbott estimated that it was going to have to collect  
10 76 terabytes of data? That's what TB is?

11 A. That's correct.

12 Q. What is a terabyte?

13 A. Roughly 1100 gigs, 1200 -- 1160 gigs of data.

14 Q. Can you give the jury just some sense of how many boxes of  
15 paper that is?

16 A. A typical e-mail is, like, megabytes, so it could be -- it  
17 could fill this room with paper.

18 Q. Thank you.

19 And you go on, based on conversations with Abbott, they're  
20 estimating this costing them around 20 to 25 million for  
21 handling, filtering, processing, and so forth. Do you see  
22 that?

23 A. Yes.

24 Q. Now, if you look at the first page of this e-mail or this  
25 exhibit, rather, at the bottom there's a response from

1 Mr. Wilner. Do you see that? Or rather a forward. He's  
2 forwarding the e-mail chain. Do you see that?

3 A. I don't see that it's forwarded because it's cut off but,  
4 "Hey, Mark."

5 Q. In the subject line there's an "FW."

6 A. Thank you.

7 (Witness examines document.) I see, yes.

8 Q. Okay. And this is from Mr. Wilner, who you had worked  
9 with at Iron Mountain, and he writes to Mr. Daoust. Who's  
10 Mr. Daoust?

11 A. I believe he was an Autonomy sales operations leader or  
12 part of the sales operations team.

13 Q. And he writes (reading):

14 "I'd like to put a license option in place for them  
15 or some kind of minimum commit number that will count  
16 towards Q2."

17 Do you see that?

18 A. I do.

19 Q. So he's proposing offering Abbott a license or a discount  
20 for committing to sending certain amount of work to Autonomy;  
21 correct?

22 A. (Witness examines document.) No. He's --

23 Q. He wasn't --

24 A. He's suggesting that for this case, just this subpoena, if  
25 they are able to commit a low figure amount of data to be

1 loaded -- processed and loaded and hosted, that we can offer a  
2 discounted rate.

3 This does not refer to other -- the other databases that  
4 we were talking about before. So this was not a cumulative  
5 across the entire universe of data they were hosting, but only  
6 contemplating options as it related to the sales subpoena.

7 **Q.** Fair. And thank you for that clarification.

8 But with respect to the sales subpoena, he writes  
9 (reading):

10 "I'd like to put a license option in front of them."

11 Correct?

12 **A.** He does write that.

13 **Q.** And he goes on (reading):

14 "Bottom line is Abbott can now quantify the data they  
15 need to produce to the DOJ, have put an estimated dollar  
16 value next to it, and have expressed interest in  
17 evaluating what they could save if they prepaid or at  
18 least signed up for the commit before month end."

19 Do you see that?

20 **A.** I see that.

21 **Q.** So you understood that Abbott was considering paying  
22 upfront as a way to save money over the long haul?

23 **A.** They had expressed interest in understanding what options  
24 were available to them.

25 **Q.** And as part -- in connection with that, you sent them a

1 proposal for an upfront license to Autonomy software; correct?

2 **MR. FRENTZEN:** Objection. Foundation as to that.

3 **MR. DOOLEY:** Well, that's --

4 **MR. FRENTZEN:** It's coming from Abbott.

5 **BY MR. DOOLEY:**

6 **Q.** You personally, Ms. Snider, sent Abbott a proposal along  
7 these lines, for an upfront license to Autonomy software;  
8 correct?

9 **A.** The intention wouldn't have been licensing the software.  
10 That was not contemplated.

11 **Q.** Well -- I didn't mean to cut you off.

12 **A.** That was the end of my statement.

13 **Q.** Okay. Well, let's look at Exhibit 1869, which is in  
14 evidence. This is an e-mail from you to  
15 jasonfliegel@abbott.com. Do you see that?

16 **A.** I do.

17 **Q.** And he was a fairly senior, I think you testified,  
18 in-house attorney at Abbott?

19 **A.** He was our most senior day-to-day contact.

20 **Q.** And do you know who he reported to?

21 **A.** He reported to the general counsel, Laura, but I can't  
22 remember her last name right now.

23 **Q.** Did he also report to Karen Hale?

24 **A.** Karen was the lead attorney on this case.

25 **Q.** Got it. Okay.



1 And then there was a Ms. Mockaitis or Mockaitis?

2 A. Connie Mockaitis, Constance.

3 Q. Okay. And she worked beneath Mr. Fliegel or with him?

4 A. In a different function but both part of the Legal  
5 Services Group.

6 Q. And the subject of this e-mail is "Proposal," and you  
7 write (reading):

8 "Please find the attached proposal for a 10-terabyte  
9 capacity license to be used for any new data loaded,  
10 regardless of matter."

11 Do you see that?

12 A. I do.

13 Q. And this is a proposal for Abbott to buy a license to use  
14 Autonomy software for up to 10 terabytes of data on any case  
15 they're working on; correct?

16 A. Correct, but it clearly says "data loaded." We're  
17 contemplating data loaded onto the Autonomy servers to be  
18 reviewed for whatever piece of litigation.

19 Q. They would have a license to use the software?

20 A. They would use the license.

21 Q. They would have a license to use the software and it would  
22 be hosted on your servers? That's what the idea is here?

23 A. That's correct.

24 Q. Okay. And if you look at page 4 of the exhibit.

25 A. (Witness examines document.)

1 Q. Under the "Key Deal Terms," it says "License Deal."

2 A. Yes. I believe that's in here, so I can see it.

3 (Witness examines document.) Yes.

4 Q. (reading)

5 "Abbott receives significant discounts in exchange  
6 for a revenue commitment and signed order/agreement by  
7 June 30, 2011."

8 Right?

9 A. Yes.

10 Q. And then under -- if you could look at page 5 of the  
11 exhibit, there's a chart that says "Baseline Calculator."

12 A. (Witness examines document.)

13 Q. Do you see that?

14 A. I do.

15 Q. And that's an estimate that under the existing agreement  
16 with Abbott, Abbott was paying almost \$1400 per gigabyte over  
17 two years for filtering, processing, and hosting all this data;  
18 correct?

19 A. That's the fully loaded estimate.

20 Q. And then on the next page there's another chart. Do you  
21 see that? And in the middle there's a proposed license  
22 discount of 30 percent?

23 A. (Witness examines document.) Yes.

24 Q. And Autonomy was offering a 30 percent discount if Abbott  
25 would buy an upfront license; correct?

1 A. If they committed to these volumes, yes.

2 Q. And over the life of the deal, that upfront license would  
3 have saved Abbott over \$4 million is what you're projecting  
4 here?

5 A. You say over the life of the deal. I would clarify that  
6 this was the period governed in this proposal rather than the  
7 life of a particular piece of litigation.

8 Q. Fair enough.

9 But over the period covered by this proposal, over  
10 \$4 million in savings for the upfront license?

11 A. Yes.

12 Q. All right. And do you recall that Abbott was very  
13 interested in this offer?

14 A. They were interested in saving money.

15 Q. And do you recall that you discussed with Mr. Fliegel how  
16 to write up the paperwork for this license?

17 A. He asked to see proposals not for how the paperwork was  
18 structured.

19 Q. Okay. Could you look at, in your binder, Exhibit 5838?

20 A. (Witness examines document.) I don't have a 5830. It  
21 starts at 5835.

22 Q. I'm sorry. 5838. I wasn't -- my fault.

23 THE COURT: 5838?

24 MR. DOOLEY: '38, yeah.

25 THE WITNESS: (Witness examines document.)

1           **MR. FRENTZEN:** No objection.

2           **THE COURT:** Admitted.

3           (Trial Exhibit 5838 received in evidence)

4           **MR. DOOLEY:** All right.

5           **Q.** Do you recognize this as an e-mail from you to  
6           Mr. Sullivan and Mr. Wilner on June 23rd, 2011?

7           **A.** I do, yes.

8           **Q.** And this is the next day after you sent the proposal over  
9           that we just looked at in the last exhibit? That was on  
10          June 22nd and now this is the next day, June 23rd.

11          **A.** Okay. Yes.

12          **Q.** And you write (reading):

13                 "I just spoke with Jason. He's discussed the offer  
14                 with Karen and several others. Karen is very interested  
15                 in the offer."

16                 Right?

17          **A.** She's interested in the discount certainly.

18          **Q.** And as you testified a moment ago, Ms. Hale is another  
19          person in the Legal Department who works with Mr. Fliegel?

20          **A.** She was the division lead, so the lead attorney for that  
21          drug.

22          **Q.** And in the next paragraph you write (reading):

23                 "We discussed how we would paper the License should  
24                 they pull the trigger. Jason's thought is we amend the  
25                 MPSA. He is confident they (Legal) can contain the

1 process and not involve Procurement."

2 Correct?

3 **A.** (Witness examines document.) Yes, I see that.

4 **Q.** Does this refresh your recollection that you and  
5 Mr. Fliegel discussed how to structure this deal as a software  
6 license?

7 **A.** Yes. I mean -- yes.

8 **Q.** Would you look at Exhibit 5844?

9 **MR. DOOLEY:** Not in evidence, Your Honor.

10 **THE COURT:** 5844 admitted.

11 (Trial Exhibit 5844 received in evidence)

12 **BY MR. DOOLEY:**

13 **Q.** If you could look at the middle of the page, Ms. Snider.  
14 Again, apologies for the font size.

15 **A.** (Witness examines document.)

16 **Q.** You're forwarding your proposal to Ms. Mockaitis. Do you  
17 see that?

18 **A.** I do.

19 **Q.** And then at the top of the page Ms. Mockaitis writes back  
20 to you (reading):

21 "This looks like the information that DVPs" --  
22 division vice presidents, I guess -- "would need to decide  
23 whether or not to proceed. The total spend outlined  
24 versus the spend we anticipate regarding the Depakote  
25 matter alone make it appealing."

1 Right? That's what she writes?

2 A. That's what she writes.

3 Q. She viewed it as -- the offer as appealing?

4 A. She views it as appealing, but clearly states that the  
5 DVPs need to make the decision. Karen Hale was one of the  
6 DVPs.

7 Q. And then a couple days later, you sent an actual formal  
8 license agreement, proposed license agreement, to Abbott;  
9 correct? Do you remember that?

10 A. I would have to see it.

11 Q. Okay. Well, why don't you look at Exhibit 5841 in your  
12 binder there.

13 A. (Witness examines document.)

14 THE COURT: 5841 admitted.

15 (Trial Exhibit 5841 received in evidence)

16 BY MR. DOOLEY:

17 Q. And you write to Mr. Fliegel (reading):

18 "Please find attached contract for your review and  
19 approval."

20 Do you see that?

21 A. I do. Yep. Yes.

22 Q. And if you look at the attachment, it's a proposed  
23 agreement to amend the master agreement between Autonomy and  
24 Abbott; right?

25 A. This is the same one referred to -- referenced earlier,

1 yes.

2 Q. And if you look at page 2 in Section 3a, it says "License  
3 Grant." Do you see that?

4 A. Yes. Yes.

5 Q. You write (reading):

6 "Autonomy hereby grants" -- in the middle of that  
7 paragraph -- "hereby grants to customer a limited  
8 nonexclusive, nontransferable, and nonassignable license  
9 to use the licensed software."

10 Do you see that?

11 A. This was the legal template language, yes.

12 Q. And then on the next page in Section 3c, there's an  
13 underlined "Hosting of licensed software." Do you see that?

14 A. (Witness examines document.) Yes.

15 Q. And the language reads in the middle of that paragraph  
16 (reading):

17 "Autonomy shall host the licensed software and case  
18 documents associated therewith."

19 A. Yes.

20 Q. And this proposed agreement is that Abbott would own the  
21 software but the data would be hosted on Autonomy's servers;  
22 correct?

23 A. They would own the license to the software.

24 Q. Correct. Thank you for that.

25 They would own a license to the software but Autonomy

1 would host the data?

2 A. Yes.

3 Q. And in exchange, Abbott would pay an upfront fee of  
4 9.75 million in two installments?

5 A. Yes. Yes.

6 Q. And we looked -- you looked when you were on your direct  
7 examination at a subsequent draft of this agreement that you  
8 sent after this one, correct, that had changes to some of  
9 the --

10 A. Yes.

11 Q. -- some of the numbers?

12 A. Yes.

13 Q. Okay. So you sent a couple of draft license agreements to  
14 Abbott in late June 2011?

15 A. Yes.

16 Q. Despite your efforts, however, you were not able to close  
17 this license deal with Abbott by June 30th, were you?

18 A. No.

19 Q. You were exchanging draft contracts kind of right up to  
20 the end, but it didn't get over the line, did it?

21 A. It did not.

22 Q. If you could look at 1915. If we could call that up.  
23 It's in evidence.

24 THE COURT: Well, let's take a break now, do you  
25 think? Is this a -- what would you like? I mean, if we go a



1 few more minutes and you're finished, then that's fine. What  
2 would you like to do?

3 **MR. DOOLEY:** It's really up to the Court.

4 **THE COURT:** No. It's really up to you. What do you  
5 want to do?

6 **MR. DOOLEY:** I probably only have, you know, 10, 15  
7 minutes absolute max, but I --

8 **THE COURT:** We'll take a break.

9 **MR. DOOLEY:** Okay.

10 **THE COURT:** Ladies and gentlemen, we're going to take  
11 our recess now. Remember the admonition given you --

12 **MR. DOOLEY:** I tried.

13 **THE COURT:** -- don't discuss the case, don't allow  
14 anyone to discuss it with you, form or express any opinion.

15 Yeah, that's fine. I mean, I don't want to rush you  
16 through it, but I do want the jurors to be able to get to the  
17 cafeteria before the massive lines occur of people who are  
18 looking for epicurean delights.

19 (Luncheon recess taken at 12:00 p.m.)

20 (Proceedings were heard in the presence of the jury:)

21 **THE COURT:** Let the record reflect all jurors are  
22 present, parties are present, and Ms. Snider will resume the  
23 witness stand.

24 Mr. Dooley, you may proceed.

25 \\\

1 **BY MR. DOOLEY:**

2 **Q.** Good afternoon, Mr. Snider. Welcome back.

3 **A.** Thank you. Good afternoon.

4 **Q.** Good afternoon to the jury.

5 I want to return to the end of June, 2011. This morning  
6 on your direct testimony, I think you testified you worked some  
7 long hours in June on this contract with Abbott Labs; is that  
8 right?

9 **A.** Yeah.

10 **Q.** Would you take a look in your binder at Exhibit 5848.  
11 This is not in evidence yet. Just take a look at that.

12 Does that look like an email exchange between you and  
13 Mr. Wilner on June 29th, 2011?

14 **A.** Yes.

15 **THE COURT:** Admitted.

16 (Trial Exhibit 5848 received in evidence)

17 **THE WITNESS:** Yes.

18 **BY MR. DOOLEY:**

19 **Q.** If you look at the bottom of the email, on the second page  
20 at the bottom, there is an email from Mr. Wilner to Mr. Fliegel  
21 at 5:45 p.m. on June 29th. Do you see that?

22 **A.** Yes.

23 **Q.** And I won't go through all the details, but the subject is  
24 "payment terms for license"; is that right?

25 **A.** Yes.

1 Q. And he goes through -- Mr. Wilner writes, "Just a quick  
2 note to confirm our conversation earlier today," and then he  
3 discusses some details about how this license agreement would  
4 be billed. Is that a fair characterization?

5 A. Yes.

6 Q. And at the very top of that second page, you write back to  
7 Mr. Wilner, "thanks," exclamation point.

8 A. Yes.

9 Q. And then there's a further email exchange between you and  
10 Mr. Wilner, and Mr. Wilner writes at 5:47, "Dear Lord, is he  
11 going to sign it now?" And you respond, "That's what he said,  
12 though I'll believe it when I see it." Is that right?

13 A. Yes.

14 Q. That's at -- the timestamp, at least on that last email,  
15 is at 10:47 p.m. on the next to the last day of June 2011;  
16 right?

17 A. Yes.

18 Q. Is this an example, an illustration, perhaps, of the long  
19 hours that you worked on this deal, emailing at 10:30 at night,  
20 10:45 at night?

21 A. Yes.

22 Q. As we discussed, despite the long hours you put in on this  
23 deal with Abbott Labs, this contract, this software license  
24 agreement that you sent them, that deal didn't close on  
25 June 30th, did it?

1 A. I don't believe -- no.

2 MR. DOOLEY: If we could put up Exhibit 1915, please,  
3 Jeff. This is already in evidence. We've seen this.

4 THE WITNESS: So it's not here?

5 THE COURT: It will be on your --

6 BY MR. DOOLEY:

7 Q. It will be on your screen.

8 And in the middle there, at 12:45ish on June 30th, you  
9 wrote to Mr. Winkler, "Client just pulled the plug. They are  
10 not comfortable making any commit at this time." Do you see  
11 that?

12 A. Yes.

13 Q. In your experience as a sales executive, it's certainly  
14 true that customers sometimes change their mind; right?

15 A. Yes.

16 Q. They reject a deal one day, and then later on, they decide  
17 to take the deal. That happens sometimes, doesn't it?

18 A. Yes.

19 Q. And it is certainly true, in your experience as a sales  
20 executive, that sometimes customers reject deals as a  
21 negotiating tactic, as a way to get a better deal down the  
22 line. That is a negotiating tactic; right?

23 A. Yes.

24 Q. And in your June 30th email, you didn't write that Abbott  
25 would never do this deal, did you? You wrote "they're not

1 comfortable making any commit at this time"; right?

2 A. Yes.

3 Q. And you didn't write that Abbott would never agree to an  
4 upfront license, did you?

5 A. Not -- no.

6 Q. And, in fact, about a month later, Abbott did sign a  
7 license agreement with Autonomy; correct?

8 A. (No response.)

9 Q. Do you recall that?

10 A. They signed -- yes. I mean, are you referring to the  
11 agreement we talked about earlier?

12 Q. I am. We'll get there, but I was --

13 A. Yeah.

14 Q. So you weren't able to close the license agreement on  
15 June 30th, but then essentially at the end of July, you did  
16 close a license agreement with Abbott?

17 A. Yes.

18 Q. And let's look at that one. That's Exhibit 2043. It's  
19 already in evidence.

20 And this is -- at the top, it's captioned as the "First  
21 Amendment to the Master Professional Services Agreement";  
22 correct?

23 A. Yes.

24 Q. And I think that may be a typo. I think it's later  
25 referred to as the fifth amendment. It's actually the fifth

1 amendment to the MPSA; right?

2 **A.** That is correct.

3 **Q.** But, in any event, if you look at Section 4(a) of this  
4 agreement where it says "license grant" -- if we could blow  
5 that up. Again, we have very tiny font here.

6 We see the same language we saw in the earlier agreement  
7 you sent over, "Autonomy hereby grants to customer a personal  
8 non-exclusive, non-transferable, non-assignable,  
9 non-sublicensable term license to use the licensed software  
10 during the license term"; right?

11 **A.** Yes.

12 **Q.** Okay. And then on the next page, there's Section 4(e),  
13 "hosting of licensed software." Do you see that?

14 **A.** Yes.

15 **Q.** And what that says is, "Autonomy shall host the licensed  
16 software and make such licensed software available to customer  
17 in connection with Autonomy's provision of the SLD services  
18 pursuant to the agreement." Do you see that?

19 **A.** Yes.

20 **Q.** And so, again, this is a license agreement whereby Abbott  
21 was buying a license to Autonomy's software and then Autonomy  
22 was going to host Abbott's data on its servers; correct?

23 **A.** Yes.

24 **Q.** Just like the proposal that you were working long hours on  
25 in June; correct?

1 A. Yes.

2 Q. And Abbott agreed to pay a total of \$600,000 for this  
3 license?

4 A. Yes.

5 Q. So in sum, even though Abbott didn't agree to sign the  
6 larger license deal with Autonomy on June 30th, Abbott did  
7 agree to sign this smaller license deal about a month later?

8 A. Yes.

9 Q. You were asked some questions about a company called  
10 Discover Tech and Discover Tech acting as a payment agent or  
11 invoicing Abbott. Do you remember those questions?

12 A. Yes.

13 Q. All right. You don't remember why Discover Tech was being  
14 discussed as a possible payment agent between Abbott and  
15 Autonomy, do you?

16 A. No.

17 Q. And you don't remember whether Discover Tech actually  
18 billed Abbott or whether any invoices went through Discover  
19 Tech, do you?

20 A. No.

21 Q. If we could call up Exhibit 2324, which is in evidence and  
22 you were shown on your direct.

23 Just down at the very -- the original email on the bottom  
24 of the last page, this is the email from Mr. Wilner to someone  
25 named Ms. Dhillon, copied to you with the subject "Abbott

1 contract." Do you see that?

2 A. I do, yes.

3 Q. And asking, "Can you send along the name/account for the  
4 third-party billing company and Jane will give you our primary  
5 contact in legal at Abbott" -- sorry -- "Jane will give our  
6 primary contact in legal at Abbott a call on Monday." Do you  
7 see all that?

8 A. Yes.

9 Q. That request came from Mr. Wilner; right?

10 A. Yes.

11 Q. He came over -- just to remind the jury, he came over from  
12 Iron Mountain with you; right?

13 A. Yes.

14 Q. He was based here in the U.S.?

15 A. Yes. Seattle.

16 Q. And you never talked to Mr. Hussain about any of this  
17 Discover Tech billing stuff, did you?

18 A. No.

19 Q. I'd like to direct your attention to Exhibit 1890, which  
20 is in evidence. I'll call it up on the screen for you.

21 And just if you could roll down to the original email at  
22 the bottom, you were asked about this on your direct. I just  
23 have a couple follow-ups.

24 This is an email from -- again, from Mr. Wilner to you  
25 with the subject "Abbott contract," June 23rd. Do you see



1 that?

2 A. Yes.

3 Q. And copied to Joel Scott?

4 A. Yes.

5 Q. And Joel Scott, he was the general counsel of Autonomy; is  
6 that right?

7 A. I don't know if he was general -- he was an attorney. I  
8 know that.

9 Q. Fair enough.

10 He was a lawyer who worked at Autonomy here in the  
11 United States; right?

12 A. Yeah. Yes, yes, yes.

13 Q. Then flipping to the next page -- sorry. Let's go to page  
14 2 of the exhibit at the bottom. There's an email from -- just  
15 the email header and the email is coming from Mr. Guaio.

16 A. Livius Guaio.

17 Q. Guaio. I apologize. Mr. Guaio.

18 And he is also a lawyer?

19 A. I presume so, yes.

20 Q. And this email is to -- well, you say you presume so. Did  
21 you work with him when you were at Autonomy?

22 A. He stepped -- Rick Winkler was out on leave on vacation or  
23 something, and he was Rick's -- Rick directly reported to him,  
24 so he worked as part of the contracts organization in, I  
25 believe, some sort of lawyering function, but I don't know what

1 his actual -- I can't say affirmatively yes or no if I know  
2 that he's an attorney.

3 Q. Fair enough. Thank you for that clarification.

4 It's copied to a Stephen C. Do you see that? The email  
5 is actually directed to Stephen C.

6 A. I see that.

7 Q. That is Stephen Chamberlain; is that right?

8 A. I think so.

9 Q. Do you know who Steve Chamberlain is?

10 A. He was in finance.

11 Q. He worked in finance at Autonomy; correct?

12 A. Yes. That's my understanding.

13 Q. And the next person in the "to" line there is a woman  
14 named Poppy Prentis. Do you see that?

15 A. Yes.

16 Q. Did you understand she also worked in finance?

17 A. Finance, accounting, on the deal desk of some sort.

18 Q. And if you look up in the email, her title, just above  
19 that, is corporate controller. Does that sound about right?

20 A. I don't see that.

21 MR. DOOLEY: Jeff, if you could just -- there we go.

22 THE WITNESS: Yes. I see that.

23 BY MR. DOOLEY:

24 Q. If you would -- if you could go to Exhibit 1891, we looked  
25 at this one as well. If you blow up the middle -- right there,

1 Jeff. That would be great.

2 You see there is an email from Mr. Winkler. You testified  
3 he is another in-house lawyer; correct?

4 **A.** Yes.

5 **Q.** When you were at Autonomy, Ms. Snider, it was common that  
6 the finance department and the legal department would review  
7 contracts before they went out to customers; correct?

8 **A.** That's what I recall, yes.

9 **Q.** And, in fact, is it your recollection that finance and  
10 legal reviewed all contracts before they were sent to  
11 customers?

12 **MR. FRENTZEN:** I'm sorry. Objection. Just as to her  
13 personal --

14 **BY MR. DOOLEY:**

15 **Q.** To your knowledge --

16 **MR. FRENTZEN:** -- experience?

17 **BY MR. DOOLEY:**

18 **Q.** In your experience, did finance and legal review all  
19 contracts before they went to the customers?

20 **A.** Yes.

21 **Q.** And in your experience, you couldn't sign a contract with  
22 a customer unless the finance people and the lawyers had  
23 approved it; is that right?

24 **A.** Yes.

25 **MR. DOOLEY:** Ms. Snider, thank you. I have no further

1 questions.

2 THE COURT: Redirect.

3 MR. FRENTZEN: Thank you, Your Honor.

4 REDIRECT EXAMINATION

5 BY MR. FRENTZEN:

6 Q. Good afternoon, Ms. Snider.

7 This licensing notion, was that something that was new to  
8 you after Autonomy acquired Iron Mountain?

9 A. Yes.

10 Q. Can you tell us about that? How did this licensing thing  
11 first start coming up in what you were proposing to clients?

12 A. Well, as I said earlier, in the case of Abbott, we had  
13 only -- well, in all cases, rather, we -- Stratify, Iron  
14 Mountain, Iron Mountain Digital, we only offered software as a  
15 service that was invoiced upon receipt, so over the course of a  
16 month, whatever we billed, we then invoiced.

17 The notion of licensed contracts or licensed offering of  
18 software was something that came up as we became part of  
19 Autonomy as another construct for delivering services or  
20 selling the software.

21 Q. And as a new construct, was that something that you  
22 were -- that you were requested to ask clients to do?

23 A. Yes.

24 Q. So was it your idea to phrase all of these proposals to  
25 Abbott as licenses?

1 A. It was not my idea, no.

2 Q. And, again, because of Abbott's historic resistance to  
3 payment up front, was that something that you expected that  
4 they would resist?

5 A. Yes. I didn't expect them to pay up front.

6 Q. Why did you go ahead and keep proposing what you were  
7 proposing to them then?

8 A. I was asked to.

9 MR. FRENTZEN: May I have one moment, Your Honor?

10 (Pause in proceedings.)

11 MR. FRENTZEN: That's all I have. Thank you,  
12 Ms. Snider.

13 MR. DOOLEY: No.

14 THE COURT: I have a question. I'm trying to figure  
15 this out.

16 Was the service that was given to Abbott before, in a  
17 general way -- before it was acquired by Autonomy and after it  
18 was acquired by Autonomy, any different, the service, what you  
19 did for Abbott?

20 THE WITNESS: No.

21 THE COURT: Okay. Thank you.

22 Okay. Next witness.

23 MR. REEVES: Thank you, Your Honor. The United States  
24 calls Sean Blanchflower, please.

25 THE CLERK: Hello. Please raise your right hand.

SEAN BLANCHFLOWER,

called as a witness for the Government, having been duly sworn,  
testified as follows:

**THE CLERK:** Thank you. Please be seated.

Please state your full name for the record and spell your  
last name.

**THE WITNESS:** Sean Mark Blanchflower.

B-L-A-N-C-H-F-L-O-W-E-R.

**MR. REEVES:** May I inquire?

**THE COURT:** Yes, please.

**DIRECT EXAMINATION**

**BY MR. REEVES:**

**Q.** It's Dr. Blanchflower; right?

**A.** That's right.

**Q.** Good afternoon, Dr. Blanchflower.

**A.** Good afternoon.

**Q.** Where are you from?

**A.** I'm from Cambridge in the UK.

**Q.** What is your educational background?

**A.** At university, I studied a Bachelor's degree in  
mathematics, followed by a Master's in mathematics, and then a  
Ph.D. in applied mathematics, all at the University of  
Cambridge.

**Q.** After you completed your Ph.D., please describe your  
career.

1 A. I did a year as postgraduate -- postdoctoral studies, and  
2 during that year, I looked for jobs in the southwest sector and  
3 received a job at Autonomy.

4 Q. And approximately what year did you join Autonomy?

5 A. It was 2000.

6 Q. And in what position did you join Autonomy in or around  
7 2000?

8 A. My initial role was R&D engineer.

9 Q. What were your duties and responsibilities as an R&D  
10 engineer?

11 A. We oversaw the main product, which is now known as IDOL  
12 Server, and our job was to try to add new functionality to the  
13 product by extending its capabilities.

14 Q. What does the term "R&D" mean?

15 A. It stands for "research and development."

16 In the software sector, there is a research phase where  
17 you try to determine how and whether a piece of functionality  
18 can be made to work.

19 And then in the development phase, you code that up into a  
20 working piece of software ready for giving to your customers.

21 Q. Let me direct your attention to the year 2004. At or  
22 around that time, were you promoted?

23 A. Yes, sir. I became head of research and development.

24 Q. And what does it mean to be head of research and  
25 development at Autonomy? What did you do in that capacity?

1 A. My primary role was to act as the conduit between senior  
2 management and the research and development team to receive  
3 requests for new products or for changes to the existing  
4 products and to help make them happen.

5 Q. All right. I'd like to focus on the time period 2008 to  
6 2011. Is that time period clear to you?

7 A. Yes.

8 Q. In or around that time, were you still working at  
9 Autonomy?

10 A. Yes, I was.

11 Q. Were you also still then the head of R&D at Autonomy?

12 A. I was.

13 Q. All right. And where did you actually work in that time  
14 period?

15 A. I was always working in the Cambridge office.

16 Q. And by the time period 2008 to 2011, how large, how big,  
17 was the R&D group within Autonomy?

18 A. Over the years from 2003 onwards, Autonomy had acquired  
19 other companies which grew the team around the world; thus, the  
20 Cambridge team had around maybe 70 R&D engineers around the  
21 world.

22 By the time -- by 2011 when we were acquired by  
23 Hewlett-Packard, the team had reached 650 developers.

24 Q. Thank you.

25 Now, you said you were, as head of R&D -- you were a



1 conduit to senior management. Do you recall that testimony?

2 **A.** Yes.

3 **Q.** And who were you referring to when you say "senior  
4 management"? What did you mean by that?

5 **A.** The person I most often dealt with was Peter Menell, my  
6 direct manager, the chief technology officer.

7 **Q.** And what was, as you understood it -- were Mr. Menell's  
8 responsibilities as chief technology officer at Autonomy?

9 **A.** He oversaw the whole of the technical process, which  
10 included research and development, as well as overseeing the  
11 technical presales team who implemented things once a customer  
12 had bought it.

13 And so he -- he would -- he would pass down -- I'm not  
14 sure where they came from, to be honest, but they would reach  
15 me by him making a request for a change to the existing  
16 products or to work on new products.

17 **Q.** Okay. And were those the types of things with which you  
18 would interact with Mr. Menell about, changes in existing  
19 products, for example?

20 **A.** Yes.

21 **Q.** All right. And what was it like to work with Mr. Menell  
22 in the years 2008 to 2011?

23 **MS. LITTLE:** Objection. Vague. And I'm not sure why  
24 it's relevant, what it was like --

25 **THE COURT:** Sustained.

1 **BY MR. REEVES:**

2 **Q.** Did you have any interactions with other members of senior  
3 management besides Mr. Menell?

4 **A.** During what time period?

5 **Q.** My questions will be around 2008 to 2011, so it's in that  
6 time period, please.

7 **A.** During that time period, very little, indeed. For one  
8 particular project, I had involvement with the chief executive  
9 officer, but other than that, almost everything was through  
10 Mr. Menell.

11 **Q.** Okay. And who are you referring to as the chief executive  
12 officer?

13 **A.** That's Michael Lynch.

14 **Q.** Okay. And what was your -- what were your interactions  
15 with Dr. Lynch like or what was the subject that you were  
16 working with him on?

17 **A.** He had a great interest in the new technology he wanted to  
18 create, which was some technology around augmented reality, so  
19 he worked with us on -- as we developed the technology and  
20 helped to showcase it to some initial customers.

21 **Q.** Did you have -- withdrawn.

22 Were you familiar with Mr. Sushovan Hussain?

23 **A.** Yes.

24 **Q.** Did you have any interactions with Mr. Hussain?

25 **A.** In a work sense, very little. I spoke to him maybe half a

1 dozen times over the whole time between joining Autonomy and  
2 being acquired by HP, and they were predominantly on non-work  
3 matters.

4 **Q.** Okay. Are you familiar with a software from a company  
5 called NCorp?

6 **A.** Yes.

7 **Q.** What was NCorp?

8 **A.** It was a company founded by Mike Lynch prior to the time I  
9 joined Autonomy and it -- it subsequently folded and the  
10 technology was acquired by Autonomy.

11 **Q.** And what was the software or technology from NCorp that  
12 was eventually acquired by Autonomy?

13 **A.** It tried to solve what is known as the zero hit database  
14 problem which is when you're searching a database, perhaps the  
15 criteria you have given it are too narrow, you have done too  
16 tight a search, and so instead of giving any useful results, it  
17 just says "no hits."

18 So what it would try to do, it would try to add little  
19 fuzzy searching to that to say, well, there aren't any matches  
20 that match all of the criteria, but perhaps if we loosen one of  
21 them, then we can find a match that is very nearly what you're  
22 after, which is very often useful to the person doing the  
23 query.

24 **Q.** Okay. Prior to 2008, was the NCorp software being used in  
25 any way within Autonomy, to the best of your knowledge?

1 A. Not to my knowledge, no.

2 Q. Let me direct your attention now, if I could, to the  
3 summer of 2009 in or around July, August, 2009. Is that time  
4 period clear?

5 A. Yes.

6 Q. Okay. At or around that time, were you familiar with what  
7 became a launch of a new product in or around September 2009  
8 known as SPE?

9 A. Yes.

10 Q. Did you have any involvement in the development of SPE  
11 beginning in the summer of 2009?

12 A. I did.

13 Q. Okay. What did you do with regard to SPE? What was your  
14 involvement in developing it?

15 A. The Cambridge R&D team was asked by probably Peter Menell  
16 to create a demonstration, so a showcase of some new technology  
17 that we would create to demonstrate effectively the same kind  
18 of functionality that the NCorp had, so to try to show in the  
19 same way how we could use technology to solve the zero hit  
20 database problem.

21 Q. What does "SPE" stand for again, please?

22 A. Structured Probabilistic Engine.

23 Q. So was there any relationship between SPE and the software  
24 from NCorp, or were they aimed at solving the same problem?

25 A. They were certainly aimed at solving the same problem.

1 Q. Technically, was there any relationship between the two  
2 softwares?

3 A. I was pointed towards the source code for NCorp, which  
4 Autonomy owned at that point, to see whether there was any  
5 technology that could be reused.

6 I found that there wasn't, and IDOL Server was largely  
7 capable of the functionality that we wanted to show, and so I  
8 used IDOL Server instead.

9 Q. I would like to show you what has been marked for  
10 identification as Exhibit 179. I put a set of exhibits in  
11 front of you.

12 Do you see Exhibit 179 on the top there?

13 A. I do.

14 Q. Do you recognize Exhibit 179?

15 A. Yes.

16 Q. Is this an email from you, Dr. Blanchflower, to Fernando  
17 Lucini on or a around August 25, 2009, relating to a new  
18 product launch?

19 A. It is.

20 MR. REEVES: At this time I would --

21 THE COURT: Admitted.

22 (Trial Exhibit 179 received in evidence)

23 MR. REEVES: Thank you, Your Honor.

24 If we could please enlarge the top half. That's perfect.

25 Q. Let's start with the lower email, Dr. Blanchflower. Who

1 are you writing to? Who is Mr. Fernando Lucini?

2 **A.** I'm not sure of his job title, but among his many roles  
3 was he would look after the technical presales team to help  
4 smooth any technical work that needed doing in preparation for  
5 a sale.

6 But he was also -- he would also work with senior  
7 management on important technical projects.

8 **Q.** Did you work closely with Mr. Lucini?

9 **A.** Yes.

10 **Q.** And you're writing to him on or around August 25th,  
11 "Subject: Urgent new product launch." What product are you  
12 referring to there?

13 **A.** The demonstration that became known as SPE.

14 **Q.** All right. And you write, "We need to prepare in advance.  
15 As surprises will come as the demo gets close, yet no demo  
16 exists," etc. Do you see that?

17 **A.** I do.

18 **Q.** What do you mean by that? What are you doing here?

19 **A.** It was -- it was clear that when -- when the final -- the  
20 final criteria that became known as -- what exactly we needed  
21 to create, there would be a great time pressure on delivering  
22 it. We needed to have it ready by a certain time, but perhaps  
23 it wasn't clear then.

24 I'm saying that we know there is a need for a demo coming.  
25 We just don't have all the details to be able to make it yet,

1 so get ready.

2 Q. What exactly is the demo, as you're using that term here?  
3 What do you mean?

4 A. When new technology is created, one of the best ways of  
5 getting it out into the field is to show it to either  
6 prospective customers or existing customers, hoping they will  
7 like it. They often give feedback. Or it gets them interested  
8 in it. If they are interested, then we can develop it further  
9 or sell it to them.

10 Q. Up above in the email, you write to Mr. Lucini, "This is  
11 the demo we've been making for a couple weeks and are with  
12 Vance/Al still." Do you see that?

13 A. Yes.

14 Q. What did you mean by that?

15 A. I'm tying the two ends together and saying that the demo  
16 that is being requested is the one that -- that we've already  
17 been working on for the past couple of weeks and so will be  
18 useful in what it needs.

19 Q. If this email is dated on or around August 25th and you'd  
20 been working on the demo for a couple of weeks, when do you  
21 estimate your development team first began to work on the  
22 SPE -- what became the SPE product?

23 A. Certainly no earlier than the start of August.

24 Q. All right. Where was the work being done on SPE beginning  
25 in or around August 2009?

1 A. In the R&D team in Cambridge.

2 Q. And other than working on the demo, were you working on  
3 other things, you and your team?

4 A. Many other things, yes.

5 Q. What other sorts of things were you working on or were  
6 involved in?

7 A. Well, IDOL is an extremely big product and has a lot of  
8 different components to it that are constantly in development.  
9 There would be specific requests from customers for features  
10 and there would be issues and problems to investigate and fix.  
11 Beyond that, I don't know any other specifics.

12 Q. Prior to early August 2009, had any work been done on SPE  
13 before you began to work on it in the manner you've described?

14 A. Not by the Cambridge team, no.

15 Q. Do you have any reason to think that any of the other  
16 members of the R&D group outside of Cambridge but within  
17 Autonomy were working on SPE?

18 A. I don't.

19 Q. And as head of research and development for Autonomy in  
20 this time period, do you think you would have known if other  
21 engineers or people in the R&D group within Autonomy were  
22 developing SPE prior to August 2009?

23 A. I would have thought so, yes.

24 Q. I'd like to show you what has been marked as Exhibit 2747,  
25 please. Do you have that?



1 A. I do.

2 Q. Do you recognize this email, Dr. Blanchflower?

3 A. I do.

4 Q. Is this an email exchange again between you and Mr. Lucini  
5 and others in or around September 2009 relating to SPE?

6 A. It is.

7 MR. REEVES: At this time I offer --

8 THE COURT: Admitted.

9 (Trial Exhibit 2747 received in evidence)

10 MR. REEVES: Thank you, Your Honor.

11 If we could again just enlarge the top half of the email.  
12 Let's start with -- if we could go to Dr. Blanchflower's email.  
13 That's great right there. That's fantastic.

14 Q. Do you see the email, Dr. Blanchflower, that it appears,  
15 according to the document, that you wrote on or around  
16 September 4th, 2009?

17 A. I do, yes.

18 Q. And this is the British dating system, is it not, this  
19 04/09/2009?

20 A. The 4th of September.

21 Q. The 4th of September, 2009. Okay.

22 And you write, "Indeed, looks good, though it's not much  
23 change." And then you talk about a few key points.

24 Are you discussing your work on SPE here?

25 A. On the demo, yes.

1 Q. On the demo.

2 And what are some of the key points that you are pointing  
3 out in this email to Mr. Lucini?

4 A. Well, at this stage, we had been asked that the demo show  
5 three different ways of querying the system, interrogating the  
6 system. One was via SQL, structured query language, which is  
7 the standard way of talking to databases in the industry. One  
8 is by natural language, by using human text by just writing an  
9 answer in human language. And the third is structured by  
10 selecting items from drop-down boxes.

11 Q. And is this some type of user interface that you're  
12 considering or evaluating?

13 A. It is, yes.

14 Q. And what is a user interface? What does that mean?

15 A. It's -- the communication between computer -- their  
16 components is generally not very human-friendly. It's designed  
17 to be understood by computers, but not by humans, really.

18 And so user interfaces mark them up on a screen, generally  
19 in a web browser, you know, in a way that makes sense to a  
20 human being. For example, instead of having a string of  
21 numbers, you could put them in a pie chart or on a line graph  
22 or something like that.

23 Q. By September 2009, overall, how big a project would you  
24 say your work on SPE was for you and your development team?

25 A. It was clearly a very important one in that we needed to

1 do it rapidly, but in terms of the resources it took, that was  
2 relatively minor.

3 Q. Relatively minor in terms of resources and costs?

4 A. Yes.

5 Q. On or around September 16th, 2009, to your knowledge, was  
6 there a public announcement about the launch of this new  
7 product, SPE by Autonomy?

8 A. I don't recall seeing it at the time, but I believe there  
9 was, yes.

10 Q. I'd like to show you what has been received in evidence as  
11 Exhibit 199.

12 If I could please display that, Your Honor.

13 Great. Maybe we could just -- that's fantastic,  
14 Ms. Margen. Thank you very much. That's fine.

15 Do you recognize this document, Dr. Blanchflower?

16 A. I would doubt I saw it at the time, but it looks like a  
17 press release by Autonomy to announce a new piece of  
18 technology.

19 Q. Okay. And is it consistent with your recollection that on  
20 or around September 16th, 2009, Autonomy announced the launch  
21 of this new SPE product?

22 A. Yes.

23 Q. All right. We can keep the press release up for the  
24 moment, and I'm going to ask a few questions about the work  
25 that went into it.

1 Are you able to estimate between early August 2009 and the  
2 date of this launch, on or around September 16th, 2009,  
3 approximately how much research and development time and work  
4 was done in order to establish the launch of the SPE product?

5 **A.** I can try, yes.

6 **Q.** Okay. Take your time and tell us how you would estimate  
7 the costs associated with the launch of this new SPE product.

8 **A.** There were two main facets of what we were working on.  
9 One was the user interface and the demo. The second one was  
10 the preparation of IDOL Server for a -- an SPE installer  
11 release at the end of September.

12 So breaking those down, the user interface work, including  
13 the preparation of data for the demo, I would say was perhaps 8  
14 person weeks. The changes to IDOL Server to allow the kind of  
15 queries that we were showing was no more than one or two weeks.

16 In addition, there was some work on something known as the  
17 SQL proxy that allowed us to query it using the SQL language,  
18 and that was maybe -- maybe 10 or 12 person weeks, at most.

19 **Q.** Anything else?

20 **A.** There was a little -- there was some documentation written  
21 for the new installer, maybe one or two weeks. Some graphic --  
22 the graphical work -- some graphical work for the demo, but  
23 that was less than a week.

24 **Q.** Okay. I want you to be over-inclusive, please.

25 Can you think of any other work that was done by any of

1 the development team relating to SPE?

2 A. I can't.

3 Q. So we're going to draw on your skills as a mathematician,  
4 if we may. Can you add up how many person weeks or estimate in  
5 terms of the total number of person weeks the development team  
6 spent working on SPE?

7 A. So -- did you write down the numbers I gave you?

8 Q. I did. I can help, if you want.

9 A. Yes, please.

10 Q. So we have 8 plus 2. 10?

11 A. Yes.

12 Q. And we have 10 plus 10 to 12 person weeks. We will add  
13 12. So 10 plus 12 is what?

14 A. 22.

15 Q. Okay. And then we have, we'll say, two weeks for the  
16 documentation and graphical work. How many weeks is that?

17 A. 24.

18 Q. 24. Now, what does a person week cost --

19 THE COURT: What is a person week?

20 BY MR. REEVES:

21 Q. What is a person week?

22 A. A person week is one person working for one week.

23 Q. How many hours?

24 A. It's not really measured, but I would -- the standard  
25 hours were 9:30 to 6:00, which is 37 1/2 hours of work time.

1 Q. What do you estimate the value of -- the maximum value of  
2 a development person's week in terms of cost or salary?

3 A. The standard salary for an engineer in Cambridge, UK at  
4 that time was between 30 and 40,000 pounds per annum. If we  
5 add then what are called the overheads to what is known as the  
6 fully-loaded cost, the all-in cost of employing somebody for a  
7 year --

8 Q. Please.

9 A. -- then it would be maybe 50,000 pounds per year.

10 Q. Can we say -- is it over-inclusive to say a thousand  
11 pounds per person week?

12 A. A thousand pounds per person week would be 52,000 so that  
13 is an over-estimate, yes.

14 Q. An over-estimate. We are being over-inclusive. Okay?

15 A. Yes.

16 Q. So we have a thousand pounds times 24 person weeks is how  
17 many pounds?

18 A. 24,000 pounds.

19 Q. All right. And in terms of dollars -- now I'm going to  
20 test your exchange rate knowledge -- do you have an  
21 understanding of the pound to dollar in this time frame?

22 A. I don't know it exactly, no, but I'm pretty sure it has  
23 never been over -- over \$2 to the pound in my -- in my time --  
24 my working career. So --

25 Q. Let's call it \$2 then. So one pound is equal to \$2.

1 Let's round up to 25,000 pounds times \$2 is approximately  
2 \$50,000. Would you agree?

3 **A.** Yes.

4 **Q.** In this estimation, have you been over-inclusive, as best  
5 you can?

6 **A.** I believe so, yes.

7 **Q.** Can you describe any other costs that should be properly  
8 included in the development of the SPE that we haven't  
9 calculated today?

10 **A.** No.

11 **Q.** Would it be fair to say that all, in your judgment, based  
12 on what you know, Dr. Blanchflower -- that the maximum amount  
13 of R&D costs that you were aware of associated with SPE was  
14 \$50,000?

15 **A.** Well, work done by the Cambridge team during Q3 of 2009,  
16 yes.

17 **Q.** Do you have any reason to believe that there was any  
18 significant work done by other teams outside of Cambridge?

19 **A.** I don't.

20 **Q.** All right.

21 I'd like to show you, if I could, a document that is not  
22 in evidence and which I'd like to have displayed, with the  
23 Court's permission subject to connection. One of the audit  
24 work papers that we anticipate offering later in the trial.

25 **MS. LITTLE:** No objection.

1           **THE COURT:** Does it have a number?

2           **MR. REEVES:** It does have a number. Exhibit 229,  
3 please.

4           **THE COURT:** 229.

5           **MR. REEVES:** And, again, with the Court's permission,  
6 I would like to have this displayed.

7           **MS. LITTLE:** No objection.

8           **THE COURT:** Fine. Admitted.

9           (Trial Exhibit 229 received in evidence)

10          **BY MR. REEVES:**

11          **Q.** Did you have any direct dealings on a regular basis,  
12 Dr. Blanchflower, with Autonomy's auditors?

13          **A.** Not on any regular basis, no. There were times when I was  
14 asked to -- in fact, I'm not sure who I spoke to, so, no. I  
15 have to say no.

16          **Q.** You don't remember today? You're not sure?

17          **A.** There were times when Peter Menell would ask me to talk to  
18 somebody about R&D projects. It was clearly financial-related.  
19 But they would ask some questions; I would answer them. But  
20 they only happened two or three times and it was around 2006,  
21 2007, I think.

22          **Q.** Okay. In your preparation for your testimony today, did  
23 you have an opportunity to look at the details of Exhibit 229?

24          **A.** Yes.

25          **Q.** Okay. But do you think you saw this document in or around



1 2009?

2 A. I'm pretty sure that I did not.

3 Q. All right. I'm representing to you that this is a work  
4 paper that relates to costs around SPE, and I'm going to ask  
5 some questions about it. Is that clear?

6 A. Yes.

7 Q. I'd like to show you -- if we could drop down a little bit  
8 and enlarge this -- this is great right here. If you would  
9 enlarge -- withdrawn. I'm so sorry. If you would highlight,  
10 please, the number 2.5 million right here next to "development  
11 team." Do you see that? That's great. Okay.

12 In this document, there is an estimation that the  
13 development team, with the additional effort in Q3, had R&D  
14 costs of \$2.5 million. Do you see that?

15 A. I do.

16 Q. If that was the information that was given to the  
17 auditors, is that consistent with your understanding of the  
18 amount of costs that were associated with the SPE launch?

19 A. I can't -- I don't understand where it came from, no.

20 Q. Because you estimate the costs are only approximately  
21 \$50,000?

22 A. Yes.

23 Q. All right.

24 If we go, please, to the fourth page of Exhibit 229 and  
25 the summary is what I would like to enlarge, and if you'd

1 highlight the \$7.3 million figure, Ms. Margen. Thank you very  
2 much.

3 This is a further summary of R&D costs related to the  
4 development of SPE. Do you see that?

5 A. I do.

6 Q. And according to this document, those costs are  
7 \$7.3 million.

8 A. Yes.

9 Q. Do you have any understanding of that number,  
10 Dr. Blanchflower?

11 A. I do not.

12 Q. Does that in any way correlate to the costs that you  
13 observed as the head of R&D overseeing the launch of the SPE  
14 product?

15 A. No.

16 Q. Thank you. I'm done with that.

17 In the third quarter of 2009, during the time that you  
18 were working on the development of SPE, did you consider it to  
19 have some very difficult technical challenges that you had to  
20 overcome in dealing with structured data?

21 A. No.

22 Q. In your view, based on your familiarity with IDOL and  
23 Autonomy's products, was this new SPE product launched in  
24 September 2009 the second most important in the history of the  
25 company? Would you agree with that statement?

1           **MS. LITTLE:** Objection. Foundation.

2           **MR. REEVES:** I'm quoting from the earnings release  
3 that is reflected in Exhibit 291, the public statement by the  
4 company to investors on or around October 20th --

5           **THE COURT:** That is not the objection. The objection  
6 is, as I understand it, that you have to lay a foundation that  
7 he was familiar with Autonomy's release for some period of time  
8 and then ask him whether he agrees with the statement that this  
9 is of that magnitude.

10          **MR. REEVES:** Okay.

11          **Q.** Were you familiar with the IDOL product for Autonomy in  
12 2009?

13          **A.** Yes.

14          **Q.** Did you work with it most days and --

15          **A.** Yes.

16          **Q.** Why don't you explain, if you would, please, your  
17 familiarity with Autonomy's IDOL software in this time period,  
18 2009.

19          **A.** The IDOL Server was Autonomy's primary piece of software.  
20 Even when we acquired other companies, they would always have  
21 IDOL behind the scenes doing the work.

22               And it was the Cambridge team in particular, a small team  
23 of which I was part, that did all of the work on IDOL Server.  
24 So the first version of IDOL Server I helped write.

25          **Q.** And are you proud of that work, Dr. Blanchflower?

1 A. Very much so, yes.

2 Q. And are you proud of the technical capabilities of IDOL?

3 A. Yes.

4 Q. Why? Why don't you tell us why, please.

5 A. There are very few pieces of technology like it. It's --  
6 it does a huge amount in a very elegant way and it's -- it's  
7 proven by the -- the use across the industry that it's -- that  
8 it's a valuable piece of software.

9 Q. All right. Were you familiar with some of the other  
10 products that were offered by Autonomy in this time period?

11 A. Yes.

12 Q. Okay. Going back to SPE, did you consider SPE, as you  
13 understood it and you worked on it through September 2009, to  
14 be a radical technology?

15 A. The technology itself, I would have to say no. I mean, it  
16 primarily used the technology of IDOL Server.

17 Q. That's the existing IDOL technology?

18 A. Yes.

19 Q. Go on.

20 A. And one could say that the -- the technology of IDOL  
21 Server is radical, yes.

22 Q. But the technology of IDOL Server had been in existence  
23 for a number of years prior to 2009, had it not?

24 A. Yes.

25 Q. And you were developing new applications and ways to use

1 it?

2 A. Yes.

3 Q. All right. All in, do you think SPE, such as it was, was  
4 a radical form of technology?

5 A. I find that hard to answer. I'm not sure how to answer  
6 that.

7 Q. Okay. All right.

8 Was SPE the second most important product that Autonomy  
9 had ever launched, in your judgment, from what you could see?

10 A. Again, I considered it part of IDOL Server, so I didn't  
11 consider it a new product. It had the potential to grow an  
12 entire new market, which would have been extremely valuable.

13 Q. All right. Let's shift gears a little bit and talk about  
14 another software known as Storhouse by a company known as  
15 FileTek.

16 Are you familiar with that type of software?

17 A. Yes.

18 Q. Let me direct your attention, if I can, to in or around  
19 December 2009. Did you have an opportunity or occasion to  
20 evaluate software from FileTek known as Storhouse?

21 A. We -- yes. Yes.

22 Q. What did you do, Dr. Blanchflower?

23 A. I was asked to look for use cases of the Storhouse  
24 technology within the Autonomy product suite. How could we use  
25 Storhouse to augment the product offering that we had.

1 Q. When you say "use cases," what do you mean?

2 A. Just what it would be useful in the software. We were  
3 handling a lot of different data, so how could some of that be  
4 passed to the Storhouse software in a way that was valuable to  
5 customers.

6 Q. How much time did you spend working on this evaluation or  
7 consideration of use cases relating to Storhouse?

8 A. I don't recall exactly, but it was certainly within one  
9 day, so we were probably asked in the morning and we delivered  
10 the results in the afternoon.

11 Q. What form did the results take? What do you mean by  
12 "delivering the results"?

13 A. Again, it was Peter Menell who asked -- who made the  
14 request for the use cases. And I sent the -- the results to  
15 Darren Gallagher, one of my senior colleagues, and then he  
16 passed them back via email to Peter Menell.

17 Q. I would like to show you what has been marked for  
18 identification as Exhibit 408. Do you have that in front of  
19 you?

20 A. I do.

21 Q. Do you recognize that document?

22 A. Yes.

23 Q. Did you write a piece of it?

24 A. I wrote the first two-thirds of the first page.

25 THE COURT: Admitted.

1 (Trial Exhibit 408 received in evidence)

2 **MR. REEVES:** Thank you, Your Honor.

3 If I could have that displayed, please. If we could  
4 enlarge the -- maybe a little bit more, down through the dotted  
5 line. That's good.

6 **Q.** What is this document, Dr. Blanchflower?

7 **A.** This is the results of my finding. Each of the paragraphs  
8 there starts with a -- one of Autonomy's products and then I  
9 tried to described how one of the FileTek products, either  
10 Storhouse or TrustedEdge, could be used by that Autonomy  
11 product.

12 **Q.** What are some of the suggestions you're making?

13 **A.** So the FileTek product deals with structured data, data  
14 that is going to go into a database of some sort. And so I  
15 tried to find areas that -- that needed database.

16 So, for example, in IDOL SPE, then given SPE was aimed to  
17 deal with structured data, then clearly there was some way in  
18 which Storhouse could -- could help that by -- by acting as an  
19 interface to database storage.

20 **Q.** Okay. How deep a dive did you take, so to speak, into  
21 the -- into the Storhouse software at the time you're looking  
22 at it?

23 **A.** We didn't have a copy of the software and so we had to  
24 look on the web, do a web search, look at the website of  
25 FileTek itself to try to find product information, briefings

1 and any other hits that we could find that would tell us more  
2 about the technology.

3 **Q.** From the work that you did, house useful a technology  
4 could this have been for Autonomy, if you know?

5 **A.** The -- the use cases I came up with were potentially  
6 valuable, so, yes, if -- if Autonomy could unlock structured  
7 data in the same way that it had unlocked the market of  
8 unstructured data, which was Autonomy's primary market, then  
9 that could be potentially very valuable.

10 **Q.** All right.

11 Let me show you what has been marked for identification as  
12 Exhibit 445, please. Do you have that document in front of  
13 you?

14 **A.** I do.

15 **Q.** Do you recognize this document, Exhibit 445?

16 **A.** It's a purchase request.

17 **Q.** Does it have your name on it as one of the signatories or  
18 persons to give a signature on the bottom there?

19 **A.** With purchaser's requests, there were a number of  
20 signatories. I wasn't a signatory to this purchase request,  
21 but it does have my name on it as one of the people who, in  
22 theory, is allowed to sign purchase requests.

23 **THE COURT:** Admitted.

24 (Trial Exhibit 445 received in evidence)

25 **MR. REEVES:** Thank you, Your Honor.



1 If I could display this. Let's just enlarge the top half.  
2 This is fine. And if you would highlight the figure -- yes.  
3 Right there is great.

4 **Q.** Okay. So this is a General Purchase Request. What type  
5 of document is that, Dr. Blanchflower? What is that?

6 **A.** When Autonomy wished to buy something, it needed to go  
7 through the proper approval process to ensure the correct  
8 number of signatures were received, and this is the document  
9 showing that.

10 **Q.** According to the document, it looks like Autonomy is  
11 spending approximately \$10.3 million on the Storhouse software.  
12 Do you see that?

13 **A.** I do.

14 **Q.** Okay. Did you know that in or around this time period,  
15 early 2009 -- withdrawn -- in or around December 2009, that  
16 Autonomy was acquiring the Storhouse software for approximately  
17 \$10.3 million?

18 **A.** No.

19 **Q.** What do you think of the expenditure of that amount of  
20 money for the software as you reviewed it in or around this  
21 time period?

22 **MS. LITTLE:** Objection. Vague and foundation.

23 **THE COURT:** Overruled.

24 **THE WITNESS:** Could you repeat the question, please?

25 \\\

1 **BY MR. REEVES:**

2 **Q.** The question is what do you think of the expenditure of  
3 \$10.3 million for the software from FileTek's Storhouse in or  
4 around December 2009? The expenditure of that amount of money  
5 for the software that you reviewed in or around this time  
6 period? What did you think of that?

7 **MS. LITTLE:** Objection. He said he didn't even know  
8 about it at the time, so how could he have thought about it?

9 **MR. REEVES:** I will ask a different question.

10 **Q.** Did there come a time when you learned that Autonomy had  
11 spent \$10.3 million on that software?

12 **A.** Yes. Some years later.

13 **Q.** Were you surprised?

14 **A.** I was surprised, yes.

15 **Q.** Why were you surprised?

16 **A.** Autonomy was very good at creating new technology  
17 in-house, and so whenever there were needs for new technology,  
18 we would always try to do it ourselves, if possible. And I  
19 would have -- I would have thought that we would have tried to  
20 create it ourself if it was a market we wanted to move into.

21 **Q.** Did you think that spending \$10.3 million for a technology  
22 you could create yourself was a good use of money?

23 **A.** Well, I'd have to say no.

24 **Q.** After Autonomy acquired the Storhouse software, to your  
25 knowledge, did Autonomy ever use it in any of its products?

1 A. There were attempts made to use it in DigitalSafe, which  
2 is one of the Autonomy products, but I've been led to believe  
3 that that was unsuccessful --

4 MS. LITTLE: Objection. Hearsay.

5 THE COURT: Well, I'm going to permit it. Lay a --  
6 you are going to have to ask him.

7 BY MR. REEVES:

8 Q. Were there efforts to try to use the Storhouse software?

9 A. I believe so, yes.

10 Q. And how do you know that?

11 A. Members of the Cambridge R&D team were asked to -- to try  
12 to determine how the FileTek product could be used within  
13 DigitalSafe.

14 Q. Are these some of the people that you worked with within  
15 your R&D team?

16 A. Yes.

17 Q. And do you know what happened as a result of their efforts  
18 to try to use the Storhouse software?

19 A. I don't know directly, no.

20 Q. From them, do you know whether it was ever used?

21 MS. LITTLE: Objection. Hearsay.

22 THE COURT: Overruled.

23 THE WITNESS: They tell me that it was not.

24 BY MR. REEVES:

25 Q. Okay. Last topic.

1 Are you familiar with a sales effort to the Vatican  
2 Library in Rome?

3 A. I am, yes.

4 Q. Did you have any personal involvement in that sales  
5 effort?

6 A. Yes.

7 Q. Is it somewhat unusual or not an everyday occurrence for  
8 you to be involved in a sales effort?

9 A. Well, big or strategically valuable deals, we would always  
10 put the best people on helping to ensure that the best effort  
11 was done to land that deal, and this was, as far as we could  
12 tell, a very important deal, and so, yes, I was involved,  
13 but -- whenever there were important deals, the right people  
14 would be involved, and so maybe four or five times a year I  
15 would travel out and help to smooth the process of a new deal.

16 Q. And the Vatican sales process was one of those important  
17 deals?

18 A. Yes.

19 Q. All right. So what did -- withdrawn.

20 I think my questions are in the time period 2009 to 2011.  
21 Is that the time period that you recall working on this deal?

22 A. My recollection is slightly earlier, 2008/2010, but around  
23 then.

24 Q. All right. Let's go to a document to maybe work on the  
25 time frame.

1 Let me show you what has been marked as Exhibit 283,  
2 please. Do you recognize that, Dr. Blanchflower?

3 **A.** Yes.

4 **Q.** Is this an email from you or an email chain from you  
5 relating to the Vatican to, again, Mr. Lucini and others within  
6 Autonomy on or around October 19th, 2009?

7 **A.** Yes.

8 **THE COURT:** Admitted.

9 (Trial Exhibit 283 received in evidence)

10 **MR. REEVES:** Thank you, Your Honor.

11 If we could enlarge the top half.

12 **Q.** So according to the document, there is a Vatican tech  
13 meeting report that's being circulated by you on or around  
14 October 19th, 2009.

15 What is happening in terms of your involvement in this  
16 effort to sell to the Vatican Library in or around October  
17 2009? What are you doing?

18 **A.** Well, this happens before a deal goes ahead. We try to  
19 show the technology to the customer in a way that will lead  
20 them to buy the software, and so that's going ahead.

21 The team on site who are recipients of the email here are  
22 setting up a system in which we can show the Autonomy  
23 technology with help from the R&D team back in Cambridge.

24 **Q.** Okay. And by this point in time, approximately how long  
25 would you estimate that you were working -- you personally had

1 been working on this sales effort associated with the Vatican  
2 Library?

3 **A.** On and off, for most of the year, but it would come in  
4 waves. There would be short periods of a lot to do and then  
5 long periods with nothing to do.

6 **Q.** All right. Now, were there any trips to Rome?

7 **A.** Yes.

8 **Q.** What was the purpose of your trips to Rome?

9 **A.** As a start, it was just to be present at a technical  
10 meeting in case there were technical questions and I was called  
11 upon to answer those. I remember that I didn't. I sat in both  
12 meetings and didn't say a word.

13 After that, I would meet with the -- the -- the Autonomy  
14 presales team on site, the technologists who were helping to  
15 set it up, and I would help them to make sure it was set up  
16 correctly.

17 **Q.** Who were some of the senior people within Autonomy that  
18 you were working with with regard to this effort to sell  
19 software to the Vatican Library?

20 **A.** Well, certainly all my instructions came from Peter  
21 Menell, as usual. Fernando Lucini was involved because this  
22 was a big deal. And then at one of the meetings, Will flew  
23 over as did Sushovan Hussain, to try to finalize the deal.

24 **Q.** To try to finalize the deal, did you say?

25 **A.** I wasn't fully aware -- certainly there was a hope that at

1 some point, the Vatican would sign a deal and we would -- would  
2 have made a sale. And so I think we were hoping that the  
3 meeting would go ahead and they would be able to sign.

4 Q. Is that the meeting that you recall Mr. Hussain joining  
5 you for?

6 A. Yes.

7 Q. Okay. And was that in Rome?

8 A. Yes.

9 Q. And as you understood it, what was the purpose of  
10 Mr. Hussain joining for this meeting in Rome with the Vatican?

11 A. Well, the most important sales deals, I believe -- and I  
12 played very little part in the sales process, but I believe  
13 that -- that he would help to smooth the transition just to  
14 make sure that it went ahead correctly.

15 Q. Close the deal, for example?

16 A. Yes. Quite.

17 Q. Did the deal close as a result of that trip?

18 A. I believe the meeting didn't go ahead and I don't think  
19 there was any -- any deal at that point.

20 Q. Was that frustrating for you or did you enjoy a nice  
21 weekend in Rome or something?

22 A. Well, me personally -- for all the technical team, we were  
23 so far removed from the sales process that we just concentrate  
24 on the technical side of things.

25 Obviously, we wanted it to be a success because it very

1 prestigious deal for IDOL Server, so, yes, it was frustrating,  
2 but there had been many times when it could have gone ahead and  
3 hadn't and so it was just another one of those at the time.

4 Q. Okay. Other than this one trip, do you recall any other  
5 occasions relating to the Vatican when you interacted with  
6 Mr. Hussain about this Vatican sale?

7 A. No.

8 Q. And no other -- you remember the one trip?

9 A. There was only one trip in which Sushovan was present.  
10 But there -- I went five, six times in total to meet with the  
11 technical team.

12 Q. At any point in your involvement in the Vatican deal, do  
13 you recall Stouffer Egan being involved?

14 A. No.

15 Q. Did you know Mr. Egan during the time that you worked at  
16 Autonomy? Do you know who he was?

17 A. I knew who he was, yes.

18 Q. But it's your recollection that -- from what you could  
19 see, was Mr. Egan involved at all in the Vatican deal?

20 A. I don't think so, no.

21 Q. All right.

22 I'd like to show you what has been marked as Exhibit 1025  
23 for identification, please. Do you have that document?

24 A. Yes.

25 Q. Is this another email -- withdrawn.



1 Do you recognize this?

2 **A.** I do.

3 **MS. LITTLE:** No objection.

4 **THE COURT:** Admitted.

5 (Trial Exhibit 1025 received in evidence)

6 **MR. REEVES:** Thank you, Your Honor.

7 And if we could perhaps enlarge -- yes. Just that email  
8 right down -- the email from Dr. Blanchflower right in the  
9 middle down here. That's great. Thank you very much.

10 **Q.** So what is the date of this email, Dr. Blanchflower?

11 **A.** The 3rd of August, 2010.

12 **Q.** By August -- you write in this email -- why don't you read  
13 what you write with regard to the Vatican update, August 3rd,  
14 2010. What do you write, please?

15 **A.** To read it exactly?

16 **Q.** Please.

17 **A.** "So it's coming down to money? If they find more, then  
18 we'll carry on. What else would we want to do?"

19 **Q.** What is going on by this point in time, August 2010, with  
20 regard to a possible sale to the Vatican Library?

21 **A.** Well, I had initiated the thread just to ask Marco, who  
22 was the key technical resource on site, how it was going  
23 because we would do a lot of work setting things up correctly  
24 and get very excited about this potentially huge project, and  
25 then we would hear nothing, and so I was asking him for an

1 update. "What has happened to it? Is it still alive? Can you  
2 give me an update?"

3 And so it -- it -- from his response, he made it sound  
4 like it was stalled and it wasn't going any further.

5 Q. Let me show you another email, please, Exhibit 1831. Do  
6 you have that?

7 A. Yes.

8 Q. Is this another email from you to Mr. Menell, "Subject:  
9 Vatican" in or around June 10th, 2011?

10 A. Yes.

11 THE COURT: Admitted.

12 (Trial Exhibit 1831 received in evidence)

13 MR. REEVES: Thank you, Your Honor.

14 If we could just enlarge the top email.

15 Q. This is from you, Dr. Blanchflower, roughly a year later  
16 in June 2011, is it not?

17 A. It is.

18 Q. And what are you discussing in this email? You're talking  
19 about cameras and kits here. What do you mean?

20 A. The Vatican project was to digitize the library which  
21 involved taking high definition photographs of a lot of the  
22 manuscripts in the library.

23 And so to start the project, we had bought a very  
24 expensive camera that we then shipped to -- to Rome to be used  
25 in the -- in the project. So I'm talking about the camera that

1 we gave them to use.

2 Q. And talking about the camera to what end?

3 A. In the -- by this stage, it was fairly clear that the  
4 project had stalled and yet they still had the camera. And so  
5 it was just -- it was clearly owned by Autonomy.

6 So I was just intrigued and asking are they ever going to  
7 give the camera back. Basically can we have the camera back.

8 Q. It looks like it was a pretty valuable camera?

9 A. Yes. We thought so.

10 Q. Is that a 30,000-pound or 20,000-pound camera?

11 A. The camera cost 20,000 pounds, yes.

12 Q. There are references in some of the emails relating to the  
13 Vatican to BAV. Do you know what BAV means?

14 A. Yes.

15 Q. What does that mean?

16 A. It's the abbreviation in Italian for Vatican Library.  
17 *Biblioteca Antigua Vaticana*, perhaps. It means "Vatican  
18 Library."

19 Q. Thank you very much. I won't make you spell it.

20 So by June 2011, had there been any sale to the Vatican?

21 A. To my knowledge, no.

22 Q. Was the deal dying and you were pulling your equipment  
23 out, from what you could tell?

24 A. Yes.

25 MR. REEVES: No further questions.

1           **THE COURT:** Cross.

2           Do you want to stand up, ladies and gentlemen, just take a  
3 little stretch?

4           **MS. LITTLE:** May I proceed, Your Honor.

5           **THE COURT:** Yes.

6                           **CROSS-EXAMINATION**

7           **BY MS. LITTLE:**

8           **Q.** Good afternoon, Dr. Blanchflower?

9           **A.** Good afternoon.

10          **Q.** We haven't met before other, than saying "hello" out in  
11 the hallway a few minutes ago; right?

12          **A.** No.

13          **Q.** Dr. Blanchflower, before you came here to testify, you've  
14 been interviewed at least ten times by representatives of  
15 Hewlett-Packard or the Government about this case, have you  
16 not?

17          **A.** Yes.

18          **Q.** You were interviewed by Morgan Lewis & Bockius, HP's  
19 attorneys, twice in 2012 and 2013; is that right?

20          **A.** Yes.

21          **Q.** You were interviewed by phone by Hewlett-Packard's  
22 attorney and their forensic auditors in September of 2012?

23          **A.** Uh-huh.

24          **Q.** And you were interviewed by the law firm of Proskauer in  
25 connection with a derivative lawsuit working with HP three

1 times: May 30th, June 3rd of 2013, and again in November of  
2 2013?

3 A. That sounds about right.

4 Q. And you had an interview with the FBI and the Securities &  
5 Exchange Commission in June of 2014?

6 A. Yes.

7 Q. And again by HP's forensic auditors in June of 2016?

8 A. Yes.

9 Q. And again with the FBI and Mr. Reeves in London in  
10 December of 2016?

11 A. Yes.

12 Q. And an additional meeting in London with Mr. Leach and  
13 Mr. Frentzen in January of 2018; is that right?

14 A. Yes.

15 Q. And for the first nine of those ten interviews, you were  
16 employed in some capacity by Hewlett-Packard?

17 A. Yes.

18 Q. And right now, you're with Micro Focus, which is the  
19 company that Hewlett-Packard sold off its software division to;  
20 right?

21 A. Correct.

22 Q. Let's talk about SPE.

23 As a general matter in the 2008/2009 time frame, Autonomy  
24 was interested in increasing its capabilities in structured  
25 data, was it not?

1 A. Yes, I would say so.

2 Q. In particular, in September of 2008, you and  
3 Mr. Gallagher, another engineer at Autonomy, were involved in  
4 evaluating a company called Kognitio, were you not?

5 A. Yes.

6 Q. And if you would look in your book, please, sir, at tab  
7 5770, it should be in the very back of the book, the big book.  
8 It's all the way in the back. Sorry.

9 A. Is it behind or in front of the number?

10 Q. It will be behind the number, sir.

11 A. Yes.

12 Q. Is this an email from Mr. Menell to you concerning  
13 Kognitio in September of 2008?

14 A. It is.

15 THE COURT: Admitted.

16 (Trial Exhibit 5770 received in evidence)

17 MS. LITTLE: If we can put that up on the screen. And  
18 the second sentence in the second paragraph.

19 Q. First of all, what is this document? What's going on in  
20 this document with respect to Kognitio? Is this an evaluation  
21 of Kognitio's technology?

22 A. Yes. So it looks like Peter Menell is sending his summary  
23 so far back to us to check that there are no errors or anything  
24 that could be added to it.

25 Q. And this was in connection with Autonomy's interests in

1 Kognitio; is that correct? Or at least Dr. Menell's?

2 **A.** We were never told what form the interest takes. When --  
3 we were often asked to evaluate companies. Peter Menell would  
4 come to us and say "could you evaluate" or "could you find out  
5 what you could about Company X," and then we'd -- we'd write it  
6 up.

7 As to what the involvement ever was, we -- as a rule, we  
8 never really knew and I don't think we knew what we were being  
9 asked to do -- sorry -- why we were being asked to evaluate  
10 Kognitio. We were just asked to find out what we could about  
11 them.

12 **Q.** That's because your job is in the technical area, not in  
13 business strategies or in sales or in any of those other areas;  
14 right?

15 **A.** Correct.

16 **Q.** And the second sentence in the paragraph that begins  
17 "Efforts," it says, "Coupled with this NCorp or any quasi BI  
18 functionality we wish fold into IDOL place a premium on this  
19 paradigm."

20 I'm not going to ask you to translate for me, but is it  
21 fair to say that in looking at Kognitio, you were -- Autonomy  
22 was thinking about coupling it with NCorp technology?

23 **A.** There was no effort to do so, but it's describing how the  
24 Kognitio technology could be coupled with the NCorp  
25 functionality, yes.

1           **MS. LITTLE:** Thank you. We can put that one down.

2           **Q.** That was in September of 2008.

3           In October of 2008, Dr. Lynch was asking you and other  
4 engineers to look into database archiving products to extend  
5 IDOL's capabilities into structured data; correct?

6           **A.** I don't recall that, but it may have been.

7           **Q.** Would you take a look in your book at Exhibit 5765. I  
8 have to go backwards.

9           **A.** I have it.

10          **Q.** Is this an email from Dr. Lynch to Dr. Menell and others,  
11 including you, in October of 2008?

12          **A.** Yes.

13          **THE COURT:** Admitted.

14          (Trial Exhibit 5765 received in evidence)

15          **MS. LITTLE:** If we can put that up on the screen.  
16 Thank you, Jeff.

17          **Q.** So this is talking about database archiving products  
18 gaining market traction. Do you see that in the highlighted  
19 section? Do you see that?

20          **A.** Yes.

21          **Q.** And Dr. Lynch writes to you, "Guys, you need to read this  
22 carefully. We should have one." Do you see that?

23          **A.** Yes.

24          **Q.** And this is, again, Dr. Lynch encouraging the technical  
25 folks to be looking at data archiving products moving into the



1 structured data world; correct?

2 A. Correct.

3 Q. Thank you.

4 We can put that down.

5 This move into unstructured data, was that sometimes  
6 referred to within the company as "Project X"?

7 A. Do you mean structured data?

8 Q. Yes.

9 A. I don't recognize that term, no.

10 Q. Mr. Reeves spoke with you about Exhibit 179. Maybe we can  
11 just pull that up on the screen.

12 And he talked to you about the first part of this exhibit,  
13 but I want to direct your attention to a different part. Let  
14 me just find it.

15 If we can take a look at the second page, Jeff, which is  
16 an email from Nicole Egan.

17 That's the beginning of the chain where it begins, "Good  
18 question, Mariana," and the one, two, three, four -- fifth  
19 paragraph of that email from Ms. Egan, she talks about "for  
20 your information, you might be able to garner some insight from  
21 the previous incarnation of this-NCorp." Do you see that?

22 A. Yes.

23 Q. So NCorp was considered a previous incarnation of what  
24 eventually became SPE; correct?

25 A. Yes.

1 Q. But there were significant -- you can take that down.

2 There were significant advancements in what SPE could do  
3 versus NCorp's technology; would you agree?

4 A. It was backed by the rest of the power of IDOL, so, yes, I  
5 might say it was capable of a lot more than NCorp was.

6 Q. That actually is a good segue into my next question.

7 SPE really is a marketing term for what is, in essence, a  
8 set of IDOL functions; right?

9 A. Yes.

10 Q. And IDOL SPE is really a new way of using IDOL in  
11 connection with structured data; right?

12 A. Yes.

13 Q. And the development of IDOL SPE involved developing new  
14 ways to use and combine existing IDOL functions to work with  
15 structured data; right?

16 A. Yes.

17 Q. And you'd agree with me that due to IDOL SPE's reliance on  
18 existing IDOL functionality, that all the development work that  
19 was being done on IDOL could, in theory, be considered  
20 development work for IDOL SPE; right?

21 A. It was a necessary precursor.

22 Q. A necessary precursor?

23 A. Yes.

24 Q. IDOL SPE didn't just spring from the head of Zeus like  
25 Athena; right? It took a lot of work to develop it; right?

1 A. Yes.

2 Q. So in that sense, IDOL SPE had been years in the making?

3 A. Yes.

4 Q. And any development work related to IDOL SPE, such as  
5 changes to the IDOL source code, that wouldn't be separately  
6 labeled in development records as IDOL SPE versus IDOL; right?

7 A. It would not, no.

8 Q. IDOL SPE was launched in September of 2009. We've talked  
9 about that. And the work that you were doing in connection  
10 with the launch -- well, the work you were doing in Q3 of 2009  
11 was directed specifically to the launch; right?

12 A. Yes.

13 Q. The work in Q3 was not all the other previous development  
14 work that had been done; right?

15 A. Correct, yes.

16 Q. And Mr. Reeves had you go through a bunch of calculations  
17 about the user interface and developing the SQL and he had you  
18 to do math. It wasn't really math. It was arithmetic. But he  
19 had you add up some figures. Do you recall that?

20 A. Yes.

21 Q. You were very careful to say this was the work being done  
22 by Cambridge in Q3/'09; right?

23 A. Yes.

24 Q. Not the whole development of the product?

25 A. Correct.

1 Q. And, Dr. Blanchflower, you did view IDOL SPE as a  
2 significant initiative for the company, didn't you?

3 A. I did, yes.

4 Q. And, in fact -- well, take a look in your book, would you,  
5 at Exhibit 589. This is not yet in evidence.

6 I would ask you, is this an email that you sent to various  
7 folks at Autonomy in February of 2010?

8 A. Yes.

9 THE COURT: Admitted.

10 (Trial Exhibit 589 received in evidence)

11 BY MS. LITTLE:

12 Q. And the subject line of this email is "IDOL SPE update";  
13 correct?

14 A. It is.

15 Q. And what you write here is, "Great work in setting it up  
16 over there. This will be the first of a potentially huge new  
17 product line that we can -- so that we can all be proud";  
18 correct?

19 A. Yes.

20 Q. Those are your words?

21 A. They are.

22 Q. Okay.

23 You can put that down.

24 Mr. Reeves also asked you a question whether or not you  
25 viewed IDOL SPE as a radical piece of technology. You did,

1 didn't you?

2 **A.** I viewed it as a potentially large market, but in terms of  
3 technology, there was nothing new or very limited new  
4 technology. So I wouldn't class it as a -- as radical  
5 technology any more than IDOL is radical.

6 **Q.** Would you look in your book, please, sir, at Exhibit 5754.  
7 Do you have that?

8 **A.** I do.

9 **Q.** Is that an email from you to Mr. Goodman at the  
10 foundation.org in the UK?

11 **A.** Yes.

12 **THE COURT:** Admitted.

13 (Trial Exhibit 5754 received in evidence)

14 **BY MS. LITTLE:**

15 **Q.** First of all, Dr. Blanchflower, who is Mr. Goodman or  
16 Dr. Goodman? Is he part of the Science and Technology  
17 Foundation?

18 **A.** Yes. Yes. He's certainly -- he's not a customer, but  
19 he's some foundation, as it says, an organization that I had  
20 been asked to contact.

21 **Q.** And if we can take a look at the one, two, three, fourth  
22 paragraph, the last sentence of the fourth paragraph, you say  
23 to Mr. or Dr. Goodman, "IDOL SPE represents a radical shift in  
24 managing structured data"; correct?

25 **A.** Yes.

1 Q. Those are your words?

2 A. Yes.

3 Q. Did you also, Dr. Blanchflower, seek to nominate IDOL SPE  
4 for a UK industry award?

5 A. Not personally, no.

6 Q. Well, let's take a look at Exhibit 5751. Is this an email  
7 between you and a number of people at Autonomy concerning the  
8 UK IT industry awards?

9 A. Yes.

10 MS. LITTLE: Move it in, Your Honor.

11 THE COURT: Admitted.

12 (Trial Exhibit 5751 received in evidence)

13 BY MS. LITTLE:

14 Q. Let's start at the very end of the chain, which is an  
15 email from Mr. Aysun to you: "Hi, Sean, it's nice to E-meet  
16 you. I've just started in the marketing team and am working at  
17 the moment on the application for UK IT industry awards 2010.  
18 It would be great for Autonomy to be nominated for the R&D  
19 Achievement of the Year Award." Do you see that?

20 A. Yes.

21 Q. Let's turn to the very top email on the first page. You  
22 write back, "IDOL SPE is the ideal candidate, Sophie. You'll  
23 want to get MRL's approval, but I would suggest that we should  
24 put it forward."

25 A. Yes.

1 Q. So you were recommending that IDOL SPE be nominated for  
2 this industry award; correct?

3 A. I was, yes.

4 Q. You can put that down.

5 Now, Dr. Blanchflower, you had limited knowledge of how  
6 the accounting rules worked for capitalizing R&D costs; right?

7 A. Limited. Could you define "limited"?

8 Q. Well, do you have any knowledge of the rules about  
9 capitalizing R&D costs?

10 A. Yes. Because we had to -- yeah. We were given rules by  
11 the financial and accounting team as to how to determine  
12 whether a -- some of the efforts we were making were  
13 capitalizable or not.

14 Q. But you have told the FBI in one of your interviews that  
15 you had limited knowledge of capitalizing R&D; is that right?

16 A. Well, the -- the -- the details of how it was then used I  
17 was never involved in, so, yes. I'm no accountant, that's for  
18 sure.

19 Q. Maybe you can take a look, if you would, in that little  
20 thin binder you have there. Look at Exhibit 5035. And I'm  
21 going to direct you to page 3.

22 THE COURT: Page what?

23 MS. LITTLE: 3, Your Honor. I hope that's right.

24 THE COURT: What paragraph?

25 MS. LITTLE: You know, I don't think I have the right

1 cite here.

2 **THE COURT:** Let's move on.

3 **BY MS. LITTLE:**

4 **Q.** You've told the Morgan Lewis lawyers that the financial  
5 aspects of your department were a mystery to you. Do you  
6 recall that?

7 **A.** Yes.

8 **Q.** And the judgments on capitalization of R&D are made by  
9 accounting -- accountants, not engineers; right?

10 **A.** Yes. Certainly.

11 **Q.** Are you aware of any policy changes that were made by the  
12 HMRC -- what's the HMRC?

13 **A.** Her Majesty's Revenue and Customs. The UK tax -- the UK  
14 Inland Revenue.

15 **Q.** What we call the IRS?

16 **A.** Yes.

17 **Q.** Are you aware of any policy changes in the third quarter  
18 of 2009 that affected how R&D costs could be capitalized?

19 **A.** I'm not.

20 **Q.** Are you aware of the rules about the time period that  
21 could be looked to in the capitalization of R&D costs?

22 **A.** No.

23 **Q.** Or what kind of costs could be included?

24 **A.** No.

25 **Q.** FileTek. You've indicated that you played a fairly



1 peripheral role in the analysis of the Storhouse software?

2 A. Yes.

3 Q. And you had no involvement at all in the second purchase  
4 of Storhouse software in Q2 of 2010; correct?

5 A. No.

6 MS. LITTLE: I'm trying to skip through, Your Honor.

7 Q. And you don't know what other research may have been done  
8 by Dr. Menell in connection with the FileTek product; right?

9 A. I find it hard to imagine that he would have done any  
10 research himself, but whether he ordered any, I don't know.

11 Q. Do you recall telling the FBI that Dr. Menell could have  
12 reached out on the subject matter to experts at Zantaz?

13 A. I don't recall that.

14 Q. And you've testified that the engineers working with you  
15 did make efforts to work with the Storhouse product and try to  
16 integrate it into various Autonomy products; correct?

17 A. Yes.

18 Q. And I'd like to just show you -- if you would take a look  
19 in your binder at Government's Exhibit 768, which is not yet in  
20 evidence.

21 A. I have it.

22 Q. Is that an email between you and Darren Gallagher and  
23 others concerning Storhouse database archiving?

24 A. Yes.

25 THE COURT: Admitted.

(Trial Exhibit 768 received in evidence)

**BY MS. LITTLE:**

**Q.** Just directing yourself to the very first sentence, Mr. Gallagher writes, "I have got both key parts of Storhouse SM, the storage component, and RM, the database component, up and running now and I'm getting to grips with the basics of using it as a database"; correct?

**A.** Yes.

**Q.** We can take that down.

And take a quick look, if you would, at Exhibit 824 in your book. And going -- start looking at the third page, if you would. This is where the email starts where you're involved.

Is this email an email between Darren Gallagher and others, including you, concerning Storhouse?

**A.** Yes.

**THE COURT:** Admitted.

(Trial Exhibit 824 received in evidence)

**BY MS. LITTLE:**

**Q.** And there on the third page toward the bottom, Mr. Gallagher writes, "Below is a summary of what Kraft is looking for in archiving SAP data." Do you see that?

**A.** Yes.

**Q.** Kraft is a customer of Autonomy's?

**A.** Of DigitalSafe, I believe, yes.

1 Q. And looking a little further up in the email, Darren  
2 responds on May 25th at 19:32, he says, "Bojan reminded me that  
3 this is a perfect opportunity to introduce Storhouse. What do  
4 you think?" Do you see that?

5 A. I do.

6 Q. And Mr. Gallagher writes, "Go for it"; right?

7 A. Yes.

8 Q. You can put that one down.

9 Do you have any knowledge, sir, of a requirement in Q10 --  
10 Q2 of 2010 to buy additional Storhouse services in connection  
11 with government or federal projects?

12 A. No.

13 Q. Are there occasions when unlimited licenses are needed  
14 when you're doing work with classified or federal projects  
15 because you can't audit?

16 A. I have to say I'm unaware of that. Yeah. The federal  
17 world was several levels removed from R&D, so I couldn't really  
18 say with any confidence.

19 Q. Okay. With respect to the Vatican deal, you are not  
20 familiar with the details of the negotiations or ultimate sales  
21 that may have been made in connection with the Vatican;  
22 correct?

23 A. That's correct.

24 Q. And you've no information about the accounting treatment  
25 for the Vatican transaction?

1 A. Correct.

2 Q. And you testified on direct that you had very little  
3 interaction with Mr. Hussain, maybe half a dozen times, mostly  
4 on non-work matters?

5 A. Correct.

6 Q. And you never had communications with Mr. Hussain about  
7 Storhouse; correct?

8 A. Correct.

9 Q. Or about SPE?

10 A. Correct.

11 Q. Or about the Vatican, other than the one trip you  
12 described?

13 A. Correct.

14 MS. LITTLE: Thank you. That's all I have.

15 THE COURT: Anything further? Briefly?

16 MR. REEVES: Thank you, Your Honor.

17 REDIRECT EXAMINATION

18 BY MR. REEVES:

19 Q. You testified about technologies that were years in the  
20 making. Do you remember that, Dr. Blanchflower? There was  
21 some questions about IDOL was years in the making. Do you  
22 recall?

23 A. Did I say that today? Yes.

24 Q. I think so.

25 A. So, yes, yes.

1 Q. So was the IDOL technology years in the making?

2 A. Well, yes. Absolutely.

3 Q. Okay. And so why don't you describe us the years or the  
4 evolution and what you meant by it being years in the making.  
5 Please tell us.

6 A. The -- the fundamental start of the technology that became  
7 IDOL started before -- well before I was in Autonomy and  
8 underpinned the products from the start. So every version of  
9 the core product was an iteration of the previous and so built  
10 on the technology that was already there.

11 So by the time, say, in 2008 or 2009, there would have  
12 been 12, 13 years of research building up to the IDOL that  
13 existed then.

14 Q. That relates to IDOL, the core product for Autonomy, does  
15 it not?

16 A. Yes.

17 Q. And the search for unstructured data; correct?

18 A. Yes. Yes. I mean, because -- because IDOL stores  
19 structured and unstructured data. The unstructured is its  
20 differentiation. That's it's bread and butter.

21 Q. Why do you mean by that? Why don't you tell us, please.

22 A. There were many database products out there. It's what  
23 you might call a saturated market where there are many very  
24 large leaders that dominate the area, so to try to compete with  
25 them is extremely difficult.

1 On the other hand, the unstructured data world is far more  
2 open and it certainly was when Autonomy was founded. So the  
3 idea was to create a product to meet that gap.

4 **Q.** Was the creation of the IDOL SPE demo that you testified  
5 working on -- was that years in the making?

6 **A.** The creation of the demo was not, no.

7 **Q.** Was the work that you did beginning in August 2009  
8 relating to this new application of IDOL SPE -- was that years  
9 in the making?

10 **A.** No.

11 **MR. REEVES:** No further questions.

12 **THE COURT:** Thank you.

13 **MS. LITTLE:** Nothing further.

14 **THE COURT:** Okay. Thank you. You are excused.

15 Ladies and gentlemen, we are going to take our recess now.  
16 We will be in recess until 3:00 p.m.

17 Remember the admonitions given to you, don't discuss the  
18 case, allow anyone to discuss it with you, form or express any  
19 opinion.

20 (Recess taken at 2:42 p.m.)

21 (Proceedings resumed at 3:07 p.m.)

22 (Proceedings were heard out of the presence of the jury:)

23 **MR. KEKER:** Your Honor, could I see you for a moment?

24 I'm still on this Truitt/Cronin thing. They have -- in  
25 their exhibits for Dave Truitt, they have a tremendous amount

1 of hearsay from Cronin and Rizek, to which I would be objecting  
2 a lot. I think -- what I'm worried about -- if they commit  
3 that they're calling Cronin and Rizek down the line and they  
4 will be witnesses in this trial, I don't have to make the  
5 objections.

6 **MR. REEVES:** We are certainly planning to call  
7 Mr. Rizek and Mr. Cronin.

8 **MR. KEKER:** Not planning. They're going to call them.

9 **MR. REEVES:** They were here. Both -- Mr. Cronin --

10 **THE COURT:** Are you -- well, I don't know planning.  
11 Do you mean it is your intention as of now to call these people  
12 and you've made arrangements, you've spoken to them about  
13 coming --

14 **MR. REEVES:** Yes.

15 **THE COURT:** -- and they're coming; and as far as you  
16 know they're coming; and as far as you know, you are calling  
17 them?

18 **MR. REEVES:** Yes.

19 **THE COURT:** As of this moment?

20 **MR. REEVES:** Correct.

21 **THE COURT:** Yeah. Okay. Well, I can't do anything  
22 more than that.

23 **MR. KEKER:** All right. And should I -- I'm going to  
24 rely on that in not objecting to hearsay. I know you've been  
25 letting in documents because this person's name is on it, and

1 that's fine if they're going to come; but if they're not going  
2 to come, I need to object, and I don't want to have to object  
3 to every document.

4 **THE COURT:** Okay. Is it that there's no exception to  
5 the hearsay rule that it will come in in their absence? I  
6 mean, I don't know. I'm just -- and maybe I'm -- are they  
7 agents? What are they? I don't even know who these people  
8 are.

9 **MR. LEACH:** I think they are -- I'm not sure what  
10 e-mails Mr. Keker is referring to. I think there are a number  
11 of exceptions that would apply; but I also think if there's a  
12 document from Mr. Cronin or Mr. Rizek that he has an objection  
13 to, we would be fine with letting it in subject to a motion to  
14 strike. We anticipate calling Cronin and Rizek and they will  
15 testify.

16 **THE COURT:** Normally I don't take running objections.  
17 I mean, normally I don't just say, "Oh, just sit down"; but it  
18 would speed things up. And if you want to reserve on these  
19 two -- on these sets of --

20 **MR. KEKER:** These witnesses.

21 **THE COURT:** -- these kinds of documents -- with this  
22 witness as to those documents in which those two other people  
23 are apparently the authors or --

24 **MR. KEKER:** The documents would be admissible if  
25 Cronin and Rizek testify.



1           **THE COURT:** Okay. So they could all come in subject  
2 to a motion to strike and any other curative instruction.

3           **MR. KEKER:** Right. That's fine.

4           **THE COURT:** And any other remedy -- and any other  
5 remedy that's appropriate.

6           **MR. KEKER:** That's fine. I appreciate that.

7           **THE COURT:** All right. It will move things along.

8           **MR. KEKER:** It will go faster.

9           **THE COURT:** Thank you. Bring in the jury.

10           (Proceedings were heard in the presence of the jury:)

11           **THE COURT:** Please be seated.

12           Let the record reflect all jurors are present, the parties  
13 are present.

14           You may call your next witness.

15           **MR. LEACH:** Thank you, Your Honor. The United States  
16 calls David Truitt.

17           **THE CLERK:** Please raise your right hand.

18                       **DAVID MORELAND TRUITT,**  
19 called as a witness for the Government, having been duly sworn,  
20 testified as follows:

21           **THE WITNESS:** I do.

22           **THE CLERK:** Thank you. Please be seated.

23           Please state your full name for the record and spell your  
24 last name.

25           **THE WITNESS:** It's David Moreland Truitt, and it's

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1 T-R-U-I-T-T.

2 **MR. LEACH:** May I inquire?

3 **THE COURT:** Yes. Go ahead.

4 **DIRECT EXAMINATION**

5 **BY MR. LEACH:**

6 **Q.** Good afternoon, Mr. Truitt.

7 **A.** Good afternoon.

8 **Q.** Did you previously testify before a Grand Jury in a  
9 proceeding in this matter?

10 **A.** I did.

11 **Q.** And during that testimony, did you indicate to the  
12 Government that you intended to invoke your Fifth Amendment  
13 right against self-incrimination in response to questions?

14 **A.** I did.

15 **Q.** And did the Court issue an order compelling you to testify  
16 before the Grand Jury?

17 **A.** They did.

18 **Q.** Did that order provide that the testimony you provided and  
19 any information derived directly or indirectly from that  
20 testimony could not be used against you?

21 **A.** That's my understanding.

22 **Q.** As you sit here today, has the Court issued a similar  
23 order compelling your testimony today?

24 **A.** No.

25 **Q.** Are there any agreements between you and the Government in

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1 respect of your testimony here today?

2 **A.** No.

3 **Q.** Has the Government made any promises to you that you will  
4 not be prosecuted for an offense?

5 **A.** No.

6 **Q.** Where are you from, sir?

7 **A.** I'm from Great Falls, Virginia.

8 **Q.** Would you please briefly describe your educational and  
9 professional background?

10 **A.** Sure. I graduated from the University of North Carolina  
11 in 1987 with degrees in economics and industrial relations.

12 I have approximately 30 years of experience working within  
13 the IT industry. In 1998 I started my first company and it was  
14 called MicroLink. That company I worked for about 12 years.  
15 We were primarily a services company. We did a lot of federal  
16 government work; and we had specialized practice areas, one of  
17 which was around Autonomy technology. So we had 70, 80 people  
18 that were skilled and cleared within that specific technology.

19 In January of 2010, that company MicroLink was acquired by  
20 Autonomy; and at that same time I started another company  
21 called Discover Technologies, and I've been working there ever  
22 since. So that's about eight years in.

23 **Q.** Thank you.

24 So you formed MicroLink in or around 1998?

25 **A.** Correct.

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1 Q. And it started off as a services company?

2 A. Yes, that's right.

3 Q. What do you mean by that?

4 A. Well, we would partner with software companies, large  
5 software companies like Autonomy, like Microsoft, big  
6 companies, and we would take that software and we would make it  
7 work within the agencies, the federal agencies, that bought it.  
8 So we would customize it for their purposes.

9 Q. At the time in the early 2000 period, approximately how  
10 many employees did MicroLink have?

11 A. In the early, early 2000s, probably had 20 or 30.

12 Q. Where was MicroLink based?

13 A. We were in Reston -- actually, we were in Vienna,  
14 Virginia.

15 Q. You were the owner of the company?

16 A. Yes.

17 Q. Were there any co-owners?

18 A. I had a partner named Tim Wharton, and he was a minority  
19 owner in the company.

20 Q. Describe for me the work MicroLink did for Microsoft.

21 A. We were very good around collaboration software. So they  
22 had a -- they had a product called SharePoint, which is an  
23 enterprise-based collaboration tool. So we did a lot of work  
24 implementing that software for various customers.

25 And then we also started to build some products around

1 that technology to make it better, fill holes, help Microsoft  
2 demonstrate that software. So that's primarily what we were  
3 doing with it.

4 **Q.** Did you resell software on behalf of Microsoft?

5 **A.** No. Microsoft only sold software through large  
6 distributors.

7 **Q.** You mentioned a company called Autonomy. How did you  
8 become familiar with Autonomy?

9 **A.** I believe it was back in 2006. My younger brother Dan  
10 went to work for Autonomy; and through speaking with him, he  
11 was telling me a bit about what it did and the fact that they  
12 had a very small channel of partners. So I was interested to  
13 go in and speak with them about what they had and what they  
14 were trying to accomplish.

15 So I went in and met with John Cronin, who was running  
16 their federal sales at the time, and that's how we -- how we  
17 got started.

18 **Q.** You mentioned Autonomy had a small channel of partners.  
19 What did you mean by that?

20 **A.** I mean it was not -- they were looking for partners. They  
21 didn't have good partners who had committed to the technology  
22 who could really help them sell the technology.

23 **Q.** You mentioned someone named John Cronin. Who is he?

24 **A.** Well, as I mentioned, John was the vice president in  
25 charge of Autonomy's federal team at the time that I met him.

1 I believe John worked there for about five years; and when he  
2 left Autonomy, I then hired him to come over and run my sales  
3 team.

4 Q. When you say "hired him," was he an employee of MicroLink  
5 or was there some other arrangement?

6 A. He was not technically an employee. He had a -- he had a  
7 business, and he -- we paid him through that business, but he  
8 acted as our VP of Sales.

9 Q. So you start to engage with Autonomy in or around 2006?

10 A. Correct.

11 Q. And what were you doing for them initially?

12 A. Well, we were trying to understand it. We had -- you  
13 know, we had a couple of different interests in it. One was  
14 simply to and we did immediately hire a couple of folks who had  
15 worked with the product and brought them in, so engineers who  
16 could implement it. So we wanted to do services around it, and  
17 we wanted to resell it.

18 Q. What do you mean by "resell it"?

19 A. Well, we wanted to help Autonomy sell that software and as  
20 a partner, especially in the federal space where we were most  
21 aligned, many times the federal government doesn't buy direct  
22 from the manufacturer. They want to buy through an established  
23 reseller. They also want to buy from a company who can both  
24 resell and deliver the services. So that's what we were  
25 looking to do.

1 Q. In the early days, 2006 to 2007, describe the manner by  
2 which you would resell Autonomy software.

3 A. Well, the first -- the first sale that we ever had was  
4 actually an end-of-quarter scenario. Mr. Cronin called me up  
5 and described a deal. It was about \$200,000 and, quite  
6 frankly, I can't remember exactly who that was, but I remember  
7 that the scenario was the deal was just about to close. You  
8 know, they were confident in it, and he asked whether I'd be  
9 interested in writing a purchase order for that -- for that  
10 particular customer prior to the end of the quarter.

11 And at that time I scheduled a meeting to have a  
12 discussion with the customer. So we talked through the fact  
13 that they were indeed looking to purchase it. It was just a  
14 matter of a signature. Somebody was out of town or something  
15 like that. And we went ahead and wrote the PO. That was our  
16 first experience in doing it.

17 After that, it was, you know, kind of a mix of us finding  
18 opportunities, bringing them to the table. It was us helping  
19 Autonomy with demonstrating their software, doing things  
20 that -- you know, showing it in different ways that we were  
21 able to show that, you know, Autonomy didn't have necessarily.  
22 So we could build a user interface for it for a particular  
23 customer to show it a bit -- a bit more specifically than they  
24 might have.

25 And, of course, there were also end-of-quarter --

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1 end-of-quarter scenarios that we were -- continued to get  
2 approached by Autonomy as to whether we'd be interested in  
3 doing some of those deals.

4 **Q.** These end-of-quarter scenarios that you described, do you  
5 distinguish that from other reseller arrangements you had on  
6 behalf of Autonomy?

7 **A.** I'm not sure I understand the question.

8 **Q.** What did you mean by "end-of-quarter scenarios"?

9 **A.** "End of quarter" for me would mean deals that Autonomy had  
10 been working on their own, that they would -- they'd be  
11 similar, you know, to the one I just described in the sense  
12 that they were supposed to be far down the line in the sales  
13 process, and they would ask whether we would be interested in  
14 issuing orders for those -- for those scenarios.

15 So they would present a -- you know, a particular  
16 opportunity, they would talk to us about what it was, where it  
17 was in the sales cycle, and then we would decide whether to  
18 issue an order or not.

19 **Q.** The \$200,000 order that you described that started this  
20 end-of-quarter scenario, why did you call the customer about  
21 that?

22 **A.** I wanted to make sure that it was going to indeed close  
23 quickly and that, you know, the agreement with Autonomy on  
24 those deals was -- you know, once you issue the order, it's  
25 your order. So there was, you know, an at-risk scenario. So,



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1 you know, I didn't know Mr. Cronin very long at that point and  
2 wanted to make sure that what he was telling me was correct. I  
3 didn't want to be out 200,000.

4 Q. Are you familiar with a company called MicroTech?

5 A. I am. MicroTech is a company that I helped kind of get  
6 started as an investor. I believe it was back in 2004. So I  
7 was an investor in that company for about 10 years.

8 Q. Up through 2014?

9 A. I believe that's right.

10 Q. After the acquisition of Autonomy by HP?

11 A. Yes.

12 Q. Okay. What was your ownership percentage of MicroTech?

13 A. I owned 32 percent.

14 Q. Who were the other owners?

15 A. Tony Jimenez owned 60 percent and then my partner at  
16 MicroLink, Tim Wharton, owned the other 12 -- I'm sorry -- the  
17 other 8.

18 Q. Who was Mr. Jimenez?

19 A. Tony Jimenez is a retired Army colonel. He's somebody  
20 that I met. I was actually looking to hire Tony. I met him as  
21 he was retiring; and through really over the course of about a  
22 year or so, he actually turned me down to come to work for  
23 MicroLink. He went and worked for somebody else, and then we  
24 decided after about a year it made more sense to start a  
25 company.

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1 And Tony had some -- you know, beyond his other talents,  
2 he also could have -- you know, could apply for and get some --  
3 you know, he was a service-disabled veteran, he could apply for  
4 8(a). It made sense for him to be in charge of a company.

5 Q. What do you mean by that term "8(a)"?

6 A. It's a program that the federal government runs that gives  
7 preferences to minority-owned companies.

8 Q. And were you eligible for that status?

9 A. I was not.

10 Q. But Mr. Jimenez was?

11 A. Correct.

12 Q. And did that somehow drive the ownership percentages of  
13 MicroTech?

14 A. Well, yes. You know, we were investing some time and  
15 money into the company, but we weren't -- we weren't managers  
16 within the company. We didn't work it every day. Tony was  
17 there working it actively, so I think that also helped drive  
18 the percentages.

19 But if you didn't own at least 51 percent of a company,  
20 then you wouldn't be eligible for the set-aside business.

21 Q. Did any of your relatives work for MicroTech?

22 A. Yes. My older brother Steve was their COO for five or six  
23 years.

24 Q. Roughly what time period?

25 A. I believe he left there around 2012.

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1 Q. So 2007 to 2012?

2 A. I think that's correct, yeah.

3 Q. What did Steve Truitt do for MicroTech?

4 A. He ran all their operations. So he was an executive  
5 within the company, and he was responsible -- you know, had a  
6 big job. He was probably number two in the company while he  
7 was there.

8 Q. Did you have a hand in bringing him to MicroTech?

9 A. I handed Tony his résumé.

10 Q. Okay. What was the business of MicroTech?

11 A. MicroTech was similar to -- to what MicroLink did. They  
12 did -- they did services and technical integration workaround  
13 software, but they also resold a lot of software. They had  
14 some large -- large contracts with the government for the  
15 acquisition of hardware and software. So that was a big part  
16 of their business.

17 Q. Let me direct your attention to the time period September  
18 or October of 2009. Do you have that time period in mind?

19 A. Yes.

20 Q. Would you please look at what has been marked as  
21 Exhibit 309?

22 A. (Witness examines document.) Okay.

23 Q. Is this a true and correct copy of an e-mail from John  
24 Cronin to you and Alan Rizek with the subject "Outstanding  
25 Trans."

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1     **A.**    Yes.

2                 **THE COURT:**   Admitted.

3                 (Trial Exhibit 309 received in evidence)

4     **BY MR. LEACH:**

5     **Q.**    Let me please draw your attention to the top portion of  
6     the e-mail, Mr. Truitt.  There's someone listed here named Alan  
7     Rizek.  Who is he?

8     **A.**    Alan was our chief financial officer at MicroLink.

9     **Q.**    And this is from johncronin@fedbd.com.  What is FedBD?

10    **A.**    That's the company that I mentioned that John had that he  
11    was paid through.  I think he, you know, may have had one or  
12    two other small customers that he did some BD work for.

13    **Q.**    Mr. Cronin appears to be sending you an attachment called  
14    "Outstanding Trans 10/30/09 XLS."  Do you see that?

15    **A.**    Yes.

16    **Q.**    And is that Excel spreadsheet attached to this document?

17    **A.**    Yes, it is.

18    **Q.**    What is this spreadsheet?

19    **A.**    It appears to be an update of orders that we had taken,  
20    and it appears to be orders that had not yet closed.

21    **Q.**    One moment, Mr. Truitt, while we get to page 2.

22                 And if we could please expand the left portion.

23                 Wonderful.  Thank you, Ms. Margen.

24                 Mr. Truitt, to the left there's a column "Trans" and then  
25    as you move right there's columns "AU Rev," "ML Rev," "ML POs"

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1 and "Notes." Can you please explain what you understood these  
2 columns to represent?

3 **A.** Autonomy revenue I believe would be what the customer --  
4 what the -- what we would charge those customers on the left  
5 side of the spreadsheet.

6 And then the difference between that and the MicroLink  
7 revenue would be our margin, what we expect to make on that  
8 deal.

9 **Q.** So in the column to the left, there's some names:  
10 Langley #2, CMDR Subforces #1, House of Reps, IBM, Ameriprise.  
11 Do you see those?

12 **A.** Yes.

13 **Q.** Those are the end users for the software that MicroLink  
14 had acquired to resell?

15 **A.** Correct.

16 **Q.** And the AU revenue, that's the amount you anticipate the  
17 software will be sold for?

18 **A.** That's right.

19 **Q.** And what does the column "ML Rev" represent?

20 **A.** That would be -- ML Rev... I'm sorry. So it's flipped.  
21 It looks like ML Rev is actually what we would charge the  
22 customer, and then what we would -- Autonomy revenue to the  
23 left of that would be what we would then send back to Autonomy,  
24 and then the margin would be the delta.

25 **Q.** Thank you. I think my question was imprecise. Thank you

1 for clarifying that.

2 In the middle row there's something called "EDD Contract  
3 Remaining."

4 **A.** Yes.

5 **Q.** And to the right the AU Rev is 8.25 million. What is  
6 meant by the EDD contract?

7 **A.** Autonomy had acquired a company. I believe it was called  
8 Zantaz. They had EDD software. We acquired the rights to that  
9 software. We were looking to build an EDD services firm that  
10 would utilize Autonomy EDD software.

11 So my recollection is that it was around a \$10 million  
12 deal originally, and that we had effectively payment terms over  
13 like a three-year period that we were supposed to then pay that  
14 down.

15 So we went out and we hired somebody to sell that service,  
16 and we hired a bunch of folks to -- technicians to get -- to  
17 get trained up on that technology.

18 **Q.** At this point in time, October of 2009, who -- strike  
19 that.

20 Who were some of the individuals that you hired to create  
21 an EDD platform for MicroLink?

22 **A.** So Preston Fischer was the gentleman that was running our  
23 BD efforts. He was kind of managing that practice for us.

24 In terms of the individual technicians, I know  
25 Michael Moon, I saw his name the other day. I don't recall the

1 other folks, but they were known to Preston. He kind of -- he  
2 came out of that -- that type of business, so he brought in  
3 some folks that he was familiar with and that he liked working  
4 with.

5 **Q.** At this point in time, October of 2009, how would you  
6 characterize MicroLink's efforts to develop its EDD platform?

7 **A.** We were learning a lot, so we had -- we had taken those  
8 technicians and we worked with Autonomy. They allowed us to  
9 put those folks in their Boston Data Center. So they were up  
10 there actually doing work. So we were learning a lot about the  
11 software. We were, you know, also actively pursuing leads as  
12 they came up.

13 I believe that we -- we had worked out a deal where, you  
14 know, we could do work in our own data center. So we had  
15 installed the software. We were looking at the software,  
16 learning about the software.

17 If we found customers that wanted that service, we  
18 could -- we could perform it in-house, or we also had a deal  
19 with Autonomy where we could bring that work to them and get a  
20 split on the revenue.

21 So we weren't overly successful. I think we were running  
22 into challenges in terms of what software that we actually  
23 owned versus what we began to see we needed.

24 **Q.** Did you have any customers at this point?

25 **A.** We did not. Well, I'm sorry. I think we did -- we did do

1 some work for Iovate.

2 Q. Beyond Iovate, did you have any customers?

3 A. Not that I recall.

4 Q. And describe for me the challenges with the software that  
5 you were having in October of 2009?

6 A. I think that what we had been licensed for, our experience  
7 from the folks who were actually doing the work in Boston was  
8 that there were other components that they were using there to  
9 actually get the work done, and that we -- so one of our -- one  
10 of our issues was trying to work with Autonomy to get the rest  
11 of that -- you know, those software pieces that we needed to be  
12 able to truly be able to do the work the way -- the way that  
13 they were doing the work.

14 Q. The EDD contract you described, was it approximately  
15 originally 10 to \$11 million?

16 A. I think that's right.

17 Q. And am I right at this point, October of 2009, MicroLink  
18 owed approximately \$8.25 million on that agreement?

19 A. Correct.

20 Q. Down at the bottom of this spreadsheet there is a row "Net  
21 Outstanding 21 million." What does that represent?

22 A. That appears to be what we owed.

23 Q. At the time in October of 2009?

24 A. Yes, that's right.

25 Q. At some point in October of 2009, were you approached by



1 anybody at Autonomy about Autonomy potentially acquiring  
2 MicroLink?

3 **A.** Yes. I believe I received a call from Stouffer Egan. He  
4 asked whether we would be interested in having a conversation  
5 about that prospect, and I said sure.

6 **Q.** And did you meet with Mr. Egan and others from Autonomy in  
7 San Francisco about a potential acquisition?

8 **A.** We did. I believe it was a week or two later we went out.  
9 Alan -- Mr. Rizek and I went out and met with Mr. Hussain and  
10 Mr. Egan, and I believe that was really the first kind of  
11 face-to-face discussion that we had about the acquisition.

12 **Q.** Where was the meeting?

13 **A.** It was at their corporate headquarters here in  
14 San Francisco, Mission Street.

15 **Q.** Take a moment and describe for us what was said.

16 **A.** It was really just an informational kind of -- you know, I  
17 think Mr. Hussain wanted to hear from Alan kind of what our  
18 finances were on a high level, and they talked about -- you  
19 know, I talked about what we do and how we do it.

20 I know one of the areas that we talked about was the fact  
21 that I believe Autonomy had -- had lost their corporate  
22 facility clearance, and that was something that we had at  
23 MicroLink. We had a top secret security clearance to do work  
24 with the DOD and intell space. So I know we talked about that.

25 I think we gave them, you know, a presentation on who we

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1 were effectively; and, I mean, they had some idea because we  
2 were partnering, but it was just kind of a pitch on who we  
3 were.

4 Q. What were MicroLink's revenues at the time?

5 A. Well, around services our revenues were about 25 million.  
6 If you add resale revenue on top of that, probably another  
7 25 million. So you could say it's 50 million or you could say  
8 it's 25, whichever.

9 Q. Why do you separate those two?

10 A. It just depends on whether you want to hear about resale  
11 revenue or not.

12 Q. How did you view it?

13 A. I like 50 million. I mean, but, again, it's just -- you  
14 know, you very quickly will get asked, "Okay. How much of that  
15 is services -- true services revenue versus, you know,  
16 pass-through resale revenue?"

17 Q. What do you mean by "pass-through"?

18 A. Just meaning that you're -- you're taking, you know, in  
19 our case I believe it was 10 percent; in some cases when you're  
20 reselling other products, it's even less. And there can be a  
21 lot, millions and millions of dollars that run through your  
22 company that aren't impacting you in the way that 25 million  
23 extra dollars would, if that makes sense. It's a low margin,  
24 quick transactions, and it's not, you know, for us true  
25 services work.

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1 **Q.** After this meeting in San Francisco in or around October  
2 of 2009, did your discussions about, say, potential acquisition  
3 of MicroLink progress?

4 **A.** They did. We continued to have discussions. I think  
5 Mr. Hussain called me a week or two later, and we had a -- you  
6 know, a general discussion. He threw out a number, as I  
7 recall, and he threw out a number of 45 million, you know, kind  
8 of what he thought the company was worth. And I told him that  
9 I wasn't interested at that number.

10 **Q.** At some point did you and Mr. Hussain discuss the prospect  
11 of Autonomy purchasing MicroLink and a new company --

12 **MR. KEKER:** Objection. Leading, Your Honor.

13 **THE COURT:** Sorry?

14 **MR. KEKER:** Leading.

15 **THE COURT:** Overruled.

16 **MR. KEKER:** He can just say what he remembers rather  
17 than have Mr. Leach say it.

18 **BY MR. LEACH:**

19 **Q.** Describe for us, Mr. Truitt, how the negotiations evolved  
20 from there. Did you take the deal for 45 million? What  
21 happened?

22 **A.** So I rejected the deal for 45 million. I believe perhaps  
23 a week or so later, I got back on the phone with Mr. Hussain.  
24 We chatted about a \$50 million scenario, which was much more  
25 interesting to me.

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1 We had not -- you know, I hadn't accepted 50 million but  
2 we were talking about it; and I think through continued  
3 discussions, we -- I had some questions regarding how they  
4 would use the company, what their interests really were.

5 We had started to build some of our own software products,  
6 and I was interested to know whether they would continue with  
7 the development on those products, whether they would need the  
8 people that were building those products.

9 So through that discussion, it became clear to me that  
10 they weren't really interested in the product side of our  
11 business as much as they were the services side. So at that  
12 point, you know, looking at product that I believed in and  
13 people who may or may not be valued within a new structure, I  
14 threw out a suggestion that he allow me to carve out the  
15 software and some people and start a new company, and  
16 ultimately that's what we did.

17 We settled on a number of 55 million with an agreement  
18 that the new entity was going to purchase some Autonomy  
19 technology that we could utilize within our product at  
20 Discover.

21 **Q.** Did you settle on an amount for that product that the new  
22 company would acquire?

23 **A.** We did. It was a \$10 million order.

24 **Q.** So explain to me how that related to the \$55 million  
25 purchase price of MicroLink?

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1 **A.** Well, it didn't -- it didn't relate to it in any specific  
2 way other than the fact that, you know, if we didn't do the  
3 first deal, then I wouldn't have had the money to buy the  
4 software. I mean, it was -- that's really the only relation I  
5 can think of.

6 **Q.** Did you have any interest in acquiring the software if  
7 MicroLink wasn't being acquired?

8 **A.** No. No. Because, again, MicroLink's business was  
9 different than the one that I really envisioned with the new  
10 company at Discover.

11 **Q.** Please look at what has been marked as Exhibit 356.

12 **A.** (Witness examines document.)

13 **Q.** Is this a true and correct copy of an e-mail you sent to  
14 Sushovan Hussain on or about November 18th, 2009?

15 **MR. KEKER:** 356?

16 **THE WITNESS:** I think we skipped --

17 **MR. LEACH:** Oh, excuse me. 330. I'm sorry.

18 **THE COURT:** I'm sorry. What is it?

19 **MR. LEACH:** Three three zero. 330.

20 **THE WITNESS:** Yes. This is -- Exhibit 330 is that  
21 e-mail.

22 **THE COURT:** Admitted.

23 (Trial Exhibit 330 received in evidence)

24 **BY MR. LEACH:**

25 **Q.** Do you recognize your e-mail address up at the top,

1 Mr. Truitt?

2 A. Yes, I do.

3 Q. And what is the general subject matter of this e-mail?

4 A. This is an e-mail that is kind of summarizing our last  
5 conversation. He had -- Mr. Hussain had -- Mr. Hussain had  
6 indicated that he was okay with either scenario and was  
7 interested to know which way I wanted to go with this, and I  
8 was telling him here that I'm very much interested in the  
9 carving out the Discover folks and doing the software deal.

10 Q. You wrote (reading):

11 "You might think I'm crazy to pay 5 million for an  
12 unproven product, but I think I would like to give it a  
13 shot. What I was thinking was we would include the  
14 purchase of DiscoverPoint in with the ControlPoint OEM."  
15 Do you see that?

16 A. Yes.

17 Q. What is DiscoverPoint?

18 A. DiscoverPoint is the software that we had been building at  
19 MicroLink. Effectively it was adding some search capabilities  
20 on top of -- on top of Microsoft's SharePoint product, and we  
21 were leveraging some Autonomy technology on the back end of  
22 that to help us do that.

23 Q. What did you mean by "ControlPoint OEM"?

24 A. This was just an idea that I was throwing out. Clearly  
25 this kind of evolved over the next week or two. I wasn't

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1 exactly sure how the carve-out was going to work, but this was  
2 my first attempt at kind of crafting what that might look like.

3 **Q.** My question is a little more basic, Mr. Truitt. What is  
4 ControlPoint OEM?

5 **A.** Well, ControlPoint was -- was software that Autonomy had.  
6 It was a governance platform. They -- you know, it was  
7 something that we could incorporate into DiscoverPoint, and OEM  
8 is a way to license that technology.

9 **Q.** Further on in the e-mail you write (reading):

10 "So total at closing for the MicroLink purchase would  
11 be \$55 million with an immediate purchase of DP and  
12 ControlPoint OEM for 10 million from the New Company."

13 Is "DP" an abbreviation for DiscoverPoint?

14 **A.** Yes.

15 **Q.** Okay. And can you please explain what you meant by this?  
16 What's the concept you're articulating?

17 **A.** The concept is simply I'm establishing what the sale price  
18 would be on one side, and then I'm saying that Discover  
19 Technologies would buy ControlPoint for 10 million.

20 **Q.** Buy it from Autonomy?

21 **A.** Yes.

22 **Q.** And did you have any interest in buying ControlPoint  
23 without the MicroLink being acquired?

24 **A.** Again, no. It was a completely different scenario. It  
25 was a new company with software and people and money. So, no,

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1 I would not have had that -- had MicroLink not been acquired, I  
2 would have continued to do what we were doing at MicroLink.

3 **Q.** Please look at what has been marked as Exhibit 356.

4 **A.** (Witness examines document.)

5 **Q.** Is this a true and correct copy of an e-mail you received  
6 from Andy Kanter on or about December 18th, 2009?

7 **A.** Yes, it is.

8 **THE COURT:** Admitted.

9 (Trial Exhibit 356 received in evidence)

10 **BY MR. LEACH:**

11 **Q.** Mr. Truitt, the subject of this e-mail is "Signed LOI."  
12 Do you see that?

13 **A.** Yes.

14 **Q.** What is "LOI" an abbreviation for?

15 **A.** Letter of intent.

16 **Q.** And is the attachment a letter of intent from Autonomy to  
17 acquire MicroLink for \$55 million?

18 **A.** (Witness examines document.) Yes.

19 **Q.** Please look at what has been marked as Exhibit 379.

20 **A.** (Witness examines document.) Okay.

21 **Q.** Do you recognize this document?

22 **A.** Yes, I do.

23 **Q.** What is it?

24 **A.** This is a purchase order that we issued -- or that  
25 MicroTech issued to Autonomy for Discover to purchase



1 ControlPoint --

2 **THE COURT:** Admitted.

3 **THE WITNESS:** -- and other software.

4 (Trial Exhibit 379 received in evidence)

5 **BY MR. LEACH:**

6 **Q.** Let me draw your attention to the top portion of the  
7 e-mail, Mr. Truitt. The subject is "MicroTech/Autonomy  
8 Purchase Quotation." Do you see that?

9 **A.** Yes.

10 **Q.** And this is from someone named Joel Scott. Were you  
11 familiar with Joel Scott?

12 **A.** Yes.

13 **Q.** Who was he?

14 **A.** I believe he ran operations for Autonomy U.S. at this  
15 time. He was an attorney, a general counsel, but I believe  
16 that he also was a COO.

17 **Q.** And he's writing to you (reading):

18 "Hi, Dave.

19 "Please find the MicroTech purchase quote for  
20 ControlPoint."

21 Why is this a MicroTech/Autonomy purchase quotation?

22 **A.** I believe that because Discover Technologies was such a  
23 young company and just starting out, the thought was to  
24 purchase it from an established company and reseller. So  
25 MicroTech would be the vehicle with which to do that.

1           So I don't know this for a fact, but my assumption would  
2     be that Autonomy's -- Autonomy would want to buy from  
3     established companies, and this would be a way to accomplish  
4     that.

5     **Q.**    Was it your suggestion for the new company, Discover  
6     Technologies, to buy from MicroTechnologies?

7     **A.**    I don't believe it was my suggestion. I think it came  
8     from Autonomy, but I don't recall who called and said run it  
9     through them. It could have been Mr. Scott or Mr. Egan. I'm  
10    not sure.

11    **Q.**    And how does this purchase quotation relate to the  
12    discussion you were having with Mr. Hussain about selling  
13    MicroLink for \$55 million and buying \$10 million worth of  
14    product?

15    **A.**    It was part of -- it was one side of that scenario; right?  
16    This is the -- this is the purchase of the software side.

17    **Q.**    Why was Mr. Scott sending this to you?

18    **A.**    So we could review the terms I'm assuming.

19    **Q.**    Okay. Why was he sending a MicroTech purchase order to  
20    Dave Truitt of MicroLink and Discover Technologies?

21    **A.**    I'm not exactly sure, but MicroTech may have sent over a  
22    draft and this is coming back from Mr. Scott.

23    **Q.**    Do you know that?

24    **A.**    I don't know that.

25    **Q.**    Who did you negotiate this \$10 million purchase with?

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1     **A.**     Mr. Hussain.

2     **Q.**     Let's look at the attachment, please, page 2.

3             And I draw your attention, Mr. Truitt, to the top portion  
4 of the document. Do you see the "To" line that this purchase  
5 quotation is to MicroTech?

6     **A.**     Yes.

7     **Q.**     And in the description, the software is "ControlPoint  
8 Module - 40,000 Client Access Licenses, IDOL, SharePoint  
9 Connector." What is that?

10    **A.**     Well, the first line is ControlPoint and it's giving us  
11 the ability to distribute up to 40,000 seats of the  
12 ControlPoint software. And then IDOL is kind of the core  
13 search engine that was a core kind of Autonomy product.

14    **Q.**     Thank you.

15             Please look at what has been marked as Exhibit 411.

16    **A.**     (Witness examines document.)

17    **Q.**     Is this a true and correct copy of an e-mail you received  
18 from Joel Scott on or about December 30th, 2009, relating to  
19 the \$10 million software purchase?

20             **MR. KEKER:** Excuse me, Your Honor. I just missed the  
21 number.

22             **MR. LEACH:** 379.

23             **MR. KEKER:** Thank you.

24             **MR. LEACH:** Or, I'm sorry, 411. Sorry, Mr. Keker.

25             **MR. KEKER:** Thank you.

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1           **THE WITNESS:** Yes.

2           **THE COURT:** It's admitted.

3           (Trial Exhibit 411 received in evidence)

4           **BY MR. LEACH:**

5           **Q.** What does this e-mail relate to, Mr. Truitt?

6           **A.** (Witness examines document.) It's an updated purchase  
7 order similar to what we just went over.

8           **Q.** Okay. Is this a further iteration of what you're trying  
9 to get from Autonomy for this \$10 million?

10          **A.** Correct.

11          **Q.** Let me draw your attention to page 2, please.

12          **A.** Okay.

13          **Q.** Thank you, Ms. Margen.

14               And I draw your attention to -- well, strike that.

15               How does this iteration differ from what we just looked at  
16 previously?

17          **A.** (Witness examines document.) It appears here that they  
18 have swapped out full-blown IDOL with Retrieval Lite, which was  
19 kind of a lighter version of IDOL.

20          **Q.** And there's two other things called Categorization  
21 Clustering, SharePoint Connector. What are those?

22          **A.** They're just various features of the product of IDOL.

23          **Q.** How did you -- what was your reaction to this change in  
24 what you were getting?

25          **A.** I wasn't happy. This was a significant change from our

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1 perspective. You know, full-blown IDOL was -- would have been  
2 much more valuable to us in what we were trying to accomplish  
3 with our software.

4 **Q.** And does this draft purchase order also differ in that now  
5 the end user is Discovery Tech LLC in paragraph one?

6 **A.** Correct, yes.

7 **Q.** And that's the new company you were forming?

8 **A.** Technically that's misspelled but, yes, I think that's the  
9 idea.

10 **Q.** Please look at Exhibit 410.

11 **A.** (Witness examines document.)

12 **Q.** Mr. Truitt, is this a true and correct copy of an e-mail  
13 exchange among you and Joel Scott relating to the \$10 million  
14 software purchase?

15 **A.** Yes.

16 **THE COURT:** Admitted.

17 (Trial Exhibit 410 received in evidence)

18 **BY MR. LEACH:**

19 **Q.** Let me please draw your attention to page 2. In this  
20 e-mail, Mr. Truitt, Joel Scott writes (reading):

21 "Attached please find an updated document. As to  
22 your question about IDOL, providing Categorization  
23 Clustering and Retrieval Lite is the best we can do. I  
24 should note ControlPoint does not ship with IDOL - full  
25 blown or otherwise."

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1 What did you understand this to mean?

2 **A.** Well, this is what we were discussing and we had several  
3 phone calls about that. You know, our understanding and the  
4 draft POs that had gone back and forth included full-blown  
5 IDOL. So we were -- we were surprised and I was, again, not  
6 happy that they could not provide that software.

7 **Q.** You pressed to get more?

8 **A.** I pressed for the PO to be the PO that was originally sent  
9 back and forth, which included IDOL.

10 **Q.** Where did that end from your perspective?

11 **A.** It ended just like this, with Retrieval Lite instead of  
12 the full-blown IDOL capability.

13 **Q.** Please look at what has been marked as Exhibit 429.

14 **A.** (Witness examines document.)

15 **THE COURT:** Admitted.

16 (Trial Exhibit 429 received in evidence)

17 **BY MR. LEACH:**

18 **Q.** What is this document, Mr. Truitt?

19 **A.** It appears to be the final purchase order.

20 **Q.** What is the software being licensed?

21 **A.** It's Retrieval Lite, not full-blown IDOL. It's also the  
22 ControlPoint module.

23 **Q.** Please look at page 2.

24 **A.** (Witness examines document.)

25 **Q.** Whose signature is on this purchase order?

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1 **A.** That is my brother Steve who was, again, the COO of  
2 MicroTech at the time.

3 **Q.** What is the date?

4 **A.** The date is 12/30/2009.

5 **Q.** Was there some level of anxiety in your mind on  
6 December 30th when you committed to this \$10 million software  
7 purchase?

8 **A.** There was. We -- my understanding was that the -- the  
9 MicroLink transaction was going to close at that same time. It  
10 ended up not closing until the following Monday on the 4th of  
11 January, I believe. So we had -- we had sent an order for the  
12 software, but we did not have our other side of the equation  
13 yet.

14 **Q.** And the other side of the equation was where you were  
15 going to get the money to pay for all of this?

16 **A.** Correct.

17 **Q.** Please look at what has been marked as Exhibit 420.

18 **A.** (Witness examines document.) I don't see 420. I don't  
19 have it.

20 **MR. LEACH:** May I approach, Your Honor?

21 **THE COURT:** Yes.

22 (Pause in proceedings.)

23 **THE WITNESS:** Oh. Thank you.

24 **BY MR. LEACH:**

25 **Q.** Are you familiar with this document, Mr. Truitt?

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1 **A.** Yes.

2 **Q.** As best you can recall, when did you first see it?

3 **A.** My first recollection of this was in preparation for a  
4 meeting that I was going to have with you, and I can't recall  
5 the date but it was several years after the date of this order.

6 **Q.** So at some point after 2012?

7 **A.** Yes.

8 **THE COURT:** Admitted.

9 (Trial Exhibit 420 received in evidence)

10 **BY MR. LEACH:**

11 **Q.** What does this purport to be, Mr. Truitt?

12 **A.** This is a MicroLink purchase order to Autonomy on behalf  
13 of Discover Technologies to purchase \$2.3 million worth of IDOL  
14 and something called Profiling, which is another feature.

15 **Q.** What is the date of this purchase order?

16 **A.** December 31st, 2009.

17 **Q.** What is the amount?

18 **A.** \$2.3 million.

19 **Q.** And if I could draw your attention to page 2.

20 **A.** (Witness examines document.)

21 **Q.** Do you see where it says Discover Technologies is the end  
22 user?

23 **A.** Yes.

24 **Q.** And do you see the date of December 31st, 2009?

25 **A.** Yes.



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1 **Q.** And the software that purportedly is being licensed in  
2 this is something called Profiling?

3 **A.** IDOL server with Profiling, yes.

4 **Q.** Okay. Did you agree to this order, sir?

5 **A.** I did not.

6 **THE COURT:** Shall we take our recess now?

7 **MR. LEACH:** Yes, Your Honor.

8 **THE COURT:** Okay. Ladies and gentlemen, we're going  
9 to be in recess for the day. Remember the admonition given to  
10 you: Don't discuss the case, allow anyone to discuss it with  
11 you, form or express any opinion.

12 We will resume tomorrow.

13 **MR. LEACH:** Thank you, Your Honor.

14 (Proceedings adjourned at 4:08 p.m.)

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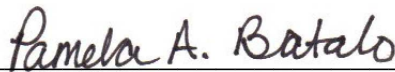
CERTIFICATE OF REPORTERS

I certify that the foregoing is a correct transcript  
from the record of proceedings in the above-entitled matter.

DATE: Wednesday, March 7, 2018

A handwritten signature in black ink, appearing to read "Jo Ann Bryce", written over a horizontal line.

Jo Ann Bryce, CSR No. 3321, RMR, CRR, FCRR  
U.S. Court Reporter

A handwritten signature in black ink, appearing to read "Pamela A. Batalo", written over a horizontal line.

Pamela A. Batalo, CSR No. 3593, RMR, FCRR  
U.S. Court Reporter